



REGULAR COMMISSION MEETING
Tuesday, April 8, 2025, at 9:00 am
338 W. First St, Port Angeles, WA 98362
AGENDA

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

III. APPROVAL OF AGENDA

IV. WORK SESSION

- A. 2024 Year-End Financials – Unaudited.....1-4

V. APPROVAL OF CONSENT AGENDA

- A. Special Commission Meeting Minutes – March 25, 2025.....5-7
B. Vouchers in the amount of \$493,684.29.....8

VI. COMPLETION OF RECORDS

No items

VII. PLANNING AND CAPITAL PROJECTS

- A. Item for Consideration – Request for Qualifications T1/T3 Planning.....9-11
B. Item for Consideration – Washington State Department of Ecology Grant Agreement.....12-59
C. Item for Consideration – EPA Clean Ports Grant Equipment Purchase60-61

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items



X. PROPERTY

- A. Item for Consideration – Citizen Air Leases.....62-151

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS

No items

XIV. ITEMS NOT ON THE AGENDA

XV. COMMISSIONER REPORTS

XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

XVII. FUTURE AGENDA.....152

XVIII. NEXT MEETINGS

- A. April 22, 2025 – Regular Commission Meeting
- B. April 28, 2025 – Special Joint Commission Meeting with County @ Port
- C. May 13, 2025 – Regular Commission Meeting
- D. May 27, 2025 – Regular Commission Meeting

XIX. UPCOMING EVENTS

- A. April 22-24, 2025 – AFRC Annual Meeting, Stevenson, WA
- B. April 23-25, 2025 – Olympic Logging Conference, Victoria, B.C.
- C. May 14, 2025 – Sequim Bay Yacht Club Meeting, Sequim, WA
- D. May 14-16, 2025 – WPPA Spring Meeting, Spokane, WA
- E. May 19-21, 2025 – Washington Airport Managers Association Conference, Lake Chelan
- F. May 19-21, 2025 – AAPA Leadership Summit, Milwaukee, MN



G. June 7-8, 2025 – Maritime Festival, Port Angeles, WA

H. June 25-27, 2025 – WPPA Finance & Administration Seminar, Walla Walla, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION *(TIME PERMITTING)*

XX. EXECUTIVE SESSION

The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

XXI. ADJOURN

RULES FOR ATTENDING COMMISSION MEETING

- Signs, placards, and noise making devices including musical instruments are prohibited.
- Disruptive behavior by audience members is inappropriate and may result in removal.
- Loud comments, clapping, and booing may be considered disruptive and result in removal at the discretion of the Chair.

RULES FOR SPEAKING AT A COMMISSION MEETING

- Members of the public wishing to address the Board on general items may do so during the designated times on the agenda or when recognized by the Chair.
- Time allotted to each speaker is determined by the Chair and, in general, is limited to 3 minutes.
- Total time planned for each public comment period is 20 minutes, subject to change by the Chair.
- All comments should be made from the speaker's rostrum and any individual making comments shall first state their name and address for the official record.
- Speakers should not comment more than once per meeting unless their comments pertain to a new topic they have not previously spoken about.
- In the event of a contentious topic with multiple speakers, the Chair will attempt to provide equal time for both sides.

Balance Sheet

Entity: - Port of Port Angeles
December 31, 2024

Description	2024 Year End	2023 Year End	Current Period vs Previous YE VAR	VAR %
ASSETS				
Current Assets				
Cash & Cash Equivalents	13,022,140	9,322,384	3,699,756	▲ 39.69%
Restricted Cash & Cash Equivalents	391,655	255,679	135,976	▲ 53.18%
Investments	14	6,000,030	(6,000,016)	▼ 100.00%
Accounts Receivable	754,043	966,519	(212,477)	▼ 21.98%
Insurance Receivable	83,944	231,581	(147,637)	▼ 63.75%
Rent Contract (Deferred)	30,000	24,000	6,000	▲ 25.00%
Accrued Interest On Real Estate & Investments	68,236	123,416	(55,180)	▼ 44.71%
Inventory	115,146	112,872	2,274	▲ 2.01%
Prepaid Insurance & Other Expenses	421,907	419,681	2,226	▲ 0.53%
Capital Grants Receivable	837,058	1,322,156	(485,098)	▼ 36.69%
Taxes Receivable	107,127	108,200	(1,073)	▼ 0.99%
Total Current Assets	15,831,269	18,886,518	(3,055,249)	▼ 16.18%
Non-Current Assets				
Investments, net of current	7,000,000	4,000,000	3,000,000	▲ 75.00%
Unrealized Gain/Loss	(27,995)	(71,300)	43,305	▼ 60.74%
Capital Assets, Net of Accum Depreciation	53,992,726	56,013,926	(2,021,200)	▼ 3.61%
Land	13,241,253	13,241,253	-	▲ 0.00%
Work in Progress	12,615,576	2,584,757	10,030,819	▲ 388.08%
Rent Contract (Deferred)	238,413	262,413	(24,000)	▼ 9.15%
Pension Asset	599,680	804,326	(204,646)	▼ 25.44%
Deferred Outflow - Pension	845,977	740,885	105,092	▲ 14.18%
Deferred Outflow - OPEB	45,130	42,656	2,474	▲ 5.80%
Total Non Current Assets	88,550,760	77,618,916	10,931,843	▲ 14.08%
TOTAL ASSETS	104,382,029	96,505,434	7,876,595	▲ 8.16%
LIABILITIES				
Current Liabilities				
Accounts Payable & Misc Liabilities	247,201	152,291	94,910	▲ 62.32%
Compensated Absences	60,300	57,400	2,900	▲ 5.05%
Payroll, Taxes & Wire Clearing Account	140,984	117,692	23,292	▲ 19.79%
Retirement & Other Benefits	56,015	40,409	15,606	▲ 38.62%
Excise Tax (Leasehold & B&O)	201,075	167,670	33,405	▲ 19.92%
Accrued Expense	46,000	46,000	-	▲ 0.00%
Interest on Bonds	-	2,642	(2,642)	▼ 100.00%
Customer Deposits	170,882	88,654	82,228	▲ 92.75%
Prepaid Revenue	79,305	78,346	958	▲ 1.22%
Contracts Payable	1,700,452	580,461	1,119,991	▲ 192.95%
Custodial - Harbor Group	67,017	11,534	55,483	▲ 481.05%
Long-Term Debt	424,584	415,974	8,610	▲ 2.07%
Long-Term Payable	17,125	17,125	-	▲ 0.00%
Environmental Remediation	60,000	250,000	(190,000)	▼ 76.00%
OPEB Liability	90,260	85,312	4,948	▲ 5.80%
Total Current Liabilities	3,361,199	2,111,509	1,249,689	▲ 59.18%
Non-Current Liabilities				
Long-Term Debt	1,193,642	1,620,427	(426,785)	▼ 26.34%
Long-Term Payable	24,260	41,384	(17,125)	▼ 41.38%
Environmental Remediation	240,000	2,447,209	(2,207,209)	▼ 90.19%
Employee Leave Benefits	384,205	366,255	17,951	▲ 4.90%
Other Post Employment Benefits	2,146,883	1,973,562	173,321	▲ 8.78%
Pension Liability	246,519	347,866	(101,347)	▼ 29.13%
Insurance Receivable (KPLY)	1,817	49,738	(47,921)	▼ 96.35%
Unearned Revenue	1,106,308	1,106,308	-	▲ 0.00%
Deferred Inflow - Pension	277,067	492,187	(215,120)	▼ 43.71%
Deferred Inflow - Blackball Harbor Area Lease	1,802	1,864	(61)	▼ 3.30%
Deferred Gain on Bond Refunding	4,558	9,530	(4,972)	▼ 52.17%
Total Non-Current Liabilities	5,627,062	8,456,330	(2,829,268)	▼ 33.46%
TOTAL LIABILITIES	8,988,260	10,567,839	(1,579,579)	▼ 14.95%
NET POSITION	\$ 95,393,769	\$ 85,937,595	\$ 9,456,173	▲ 11.00%

Port of Port Angeles
P&L Summary by Department
December 31, 2024

	YTD Actual	YTD Budget	CY Act vs Budget		Previous YTD Actual	CY Act vs PY Act	
			Variance	Variance %		Variance	Variance %
OPERATING REVENUES							
11 MARINE TERMINAL	2,634,703	2,815,750	(181,047)	▼ 6.43%	2,846,433	(211,730)	▼ 7.44%
15 MARINE TRADES AREA	772,418	879,830	(107,412)	▼ 12.21%	821,015	(48,597)	▼ 5.92%
21 LOG YARD	1,184,428	1,105,000	79,428	▲ 7.19%	1,135,513	48,916	▲ 4.31%
31 FAIRCHILD INTL AIRPORT	471,260	472,644	(1,384)	▼ 0.29%	479,705	(8,445)	▼ 1.76%
32 SEKIU	17,584	17,430	154	▲ 0.88%	17,609	(25)	▼ 0.14%
33 AIRPORT RENTAL PROPERTIES	1,643,242	1,635,000	8,242	▲ 0.50%	1,606,642	36,600	▲ 2.28%
41 PORT ANGELES BOAT HAVEN	2,005,237	2,014,754	(9,517)	▼ 0.47%	1,899,803	105,434	▲ 5.55%
43 JOHN WAYNE MARINA	2,083,868	2,051,065	32,803	▲ 1.60%	1,958,326	125,542	▲ 6.41%
61 RENTAL PROPERTIES	220,599	204,850	15,749	▲ 7.69%	200,305	20,294	▲ 10.13%
TOTAL OPERATING REVENUES	11,033,339	11,196,323	(162,984)	▼ 1.46%	10,965,351	67,988	▲ 0.62%
OPERATING EXPENSES							
	-	-	-	-	-	-	-
11 MARINE TERMINAL	1,534,132	1,270,846	263,286	▲ 20.72%	1,083,930	450,201	▲ 41.53%
15 MARINE TRADES AREA	333,139	420,438	(87,299)	▼ 20.76%	406,469	(73,329)	▼ 18.04%
21 LOG YARD	1,321,518	1,267,433	54,085	▲ 4.27%	1,285,171	36,348	▲ 2.83%
31 FAIRCHILD INTL AIRPORT	628,723	550,340	78,383	▲ 14.24%	513,566	115,156	▲ 22.42%
32 SEKIU	36,879	38,288	(1,409)	▼ 3.68%	27,222	9,657	▲ 35.47%
33 AIRPORT RENTAL PROPERTIES	518,119	564,807	(46,688)	▼ 8.27%	641,728	(123,609)	▼ 19.26%
41 PORT ANGELES BOAT HAVEN	863,478	917,045	(53,567)	▼ 5.84%	999,922	(136,444)	▼ 13.65%
43 JOHN WAYNE MARINA	1,111,273	1,170,258	(58,985)	▼ 5.04%	971,564	139,708	▲ 14.38%
61 RENTAL PROPERTIES	161,781	113,145	48,636	▲ 42.99%	134,084	27,697	▲ 20.66%
80 ADMINSTRATIVE	2,349,244	2,371,525	(22,281)	▼ 0.94%	1,373,609	975,635	▲ 71.03%
81 BUSINESS DEVELOPMENT	348,341	412,356	(64,015)	▼ 15.52%	335,219	13,122	▲ 3.91%
91 MECH SHOP	169,695	168,353	1,342	▲ 0.80%	173,928	(4,233)	▼ 2.43%
92 FACILITIES MAINTENANCE	302,370	312,500	(10,130)	▼ 3.24%	246,008	56,362	▲ 22.91%
TOTAL DIRECT EXPENSES	9,678,692	9,577,334	101,358	▲ 1.06%	8,192,421	1,486,271	▲ 18.14%
ALLOCATED EXPENSES - ADMIN & MAINT	0	-	0	-	0	(0)	▲ 0.00%
NET SURPLUS (DEFICIT) - Before Depreciation	1,354,647	1,618,989	(264,342)	▼ 16.33%	2,772,930	(1,418,283)	▼ 51.15%
ALLOCATED DEPRECIATION	(0)	-	(0)	-	(0)	0	▲ 0.00%
DEPRECIATION EXPENSE	3,140,216	3,074,501	65,715	▲ 2.14%	2,692,500	447,716	▲ 16.63%
NET SURPLUS (DEFICIT) - After Depreciation	(1,785,569)	(1,455,512)	(330,057)	▲ 22.68%	80,430	(1,865,999)	

	YTD Actual	YTD Budget	CY Act vs Budget		Previous YTD Actual	CY Act vs PY Act	
			Variance	Variance %		Variance	Variance %
<u>NON-OP (GENERAL)</u>							
NON-OP REV (General)	1,330,849	1,202,000	128,849	▲ 10.72%	1,308,753	22,097	▲ 1.69%
NON-OP EXP (General)	(2,275,334)	563,000	(2,838,334)	▼ 504.14%	(529,498)	(1,745,836)	▲ 329.72%
NON-OP (General) SURPLUS (DEFICIT)	3,606,184	639,000	2,967,184	▲ 464.35%	1,838,251	1,767,933	▲ 96.17%
<u>NON-OP (CAPITAL)</u>							
NON-OP REV (Capital)	7,671,334	9,550,584	(1,879,250)	▼ 19.68%	8,822,521	(1,151,187)	▼ 13.05%
NON-OP EXP (Capital)	35,776	43,426	(7,650)	▼ 17.62%	45,228	(9,453)	▼ 20.90%
NON-OP (Capital) SURPLUS (DEFICIT)	7,635,558	9,507,158	(1,871,600)	▼ 19.69%	8,777,293	(1,141,735)	▼ 13.01%
NET NON-OP SURPLUS (DEFICIT)	11,241,742	10,146,158	1,095,584	▲ 10.80%	10,615,544	626,198	▲ 5.90%
TOTAL NET SURPLUS (DEFICIT)	9,456,173	8,690,646	765,527	▲ 8.81%	10,695,974	(1,239,800)	▼ 11.59%

Port of Port Angeles
Cash Flow Summary
Cash Flow Summary as of December 2024

	<u>YTD</u>
<u>Beginning Cash Balance</u>	19,487,282
Operating Revenues	12,241,702
Non-Operating Revenues	10,146,040
Total Revenues	22,387,742
Operating Expenses	9,963,680
Non-Operating Expenses	11,609,779
Total Expenses	21,573,459
<u>Ending Cash Balance</u>	20,301,565
<u>Change in Cash Balance</u>	814,282



SPECIAL COMMISSION MEETING
Tuesday, March 25, 2025, at 8:00 am
338 W. First St, Port Angeles, WA 98362
MINUTES

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

Connie Beauvais Commissioner **via Zoom*
Colleen McAleer, Commissioner
Steve Burke, Commissioner
Paul Jarkiewicz, Executive Director

Caleb McMahon, Dir. of Economic Development
Braedi Joutsen, Clerk to the Board
Chris Hartman, Director of Engineering
Jennifer Baker, Director of Admin & Finance

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-1:08)

Comm. McAleer called the meeting to order at 8:00 am.

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (1:09-1:28)

None.

III. APPROVAL OF AGENDA (1:29-1:41)

- Motion to approve the agenda as presented: Comm. Beauvais
- 2nd: Comm. McAleer
- Vote: 2-0 (Unanimous)

IV. WORK SESSION (1:42-22:01)

- A. Cash & Investment Report
- Presentation: Jennifer Baker
 - Discussion
 - No Action

****Comm. Burke joined the meeting at 8:07 am.***

- B. February Financial Report
- Presentation: Jennifer Baker
 - Discussion
 - No Action

V. APPROVAL OF CONSENT AGENDA (22:02-24:25)

- A. Regular Commission Meeting Minutes – March 11, 2025
- B. Vouchers in the amount of \$896,391.87
- Discussion
 - Motion to approve the consent agenda with the changes as noted: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 3-0 (Unanimous)

VI. COMPLETION OF RECORDS

No items

VII. PLANNING AND CAPITAL PROJECTS

No items

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items



X. PROPERTY (24:26-27:24)

- A. Item for Consideration – Atlas Tower Lease
- Presentation: Caleb McMahon
 - Discussion
 - Motion to approve the lease with Atlas Tower as presented: Comm. McAleer
 - 2nd: Comm. Beauvais
 - Vote: 3-0 (Unanimous)

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS (27:25-33:38)

- A. Clallam County Opportunity Fund Grant Agreement
- Presentation: Katharine Fraizer
 - Discussion
 - Motion to approve the Commission President Steven Burkle to sign the agreement for the Clallam County Opportunity Fund in the amount of \$1,756,833.00: Comm. McAleer
 - 2nd: Comm. Beauvais
 - Vote: 3-0 (Unanimous)

XIV. COMMISSIONER REPORTS (33:39-44:11)

Comm. McAleer asked Executive Director Paul Jarkiewicz to give a brief overview of legislative updates for the State of Washington.

XV. FUTURE AGENDA

XVI. NEXT MEETINGS (44:12-44:20)

- A. April 8, 2025 – Regular Commission Meeting
- B. April 22, 2025 – Regular Commission Meeting
- C. May 13, 2025 – Regular Commission Meeting
- D. May 27, 2025 – Regular Commission Meeting

XVII. UPCOMING EVENTS (44:21-44:33)

- A. April 22-24, 2025 – AFRC Annual Meeting, Stevenson, WA
- B. April 23-25, 2025 – Olympic Logging Conference, Victoria, B.C.
- C. May 14, 2025 – Sequim Bay Yacht Club Meeting, Sequim, WA
- D. May 14-16, 2025 – WPPA Spring Meeting, Spokane, WA
- E. May 19-21, 2025 – Washington Airport Managers Association Conference, Lake Chelan
- F. May 19-21, 2025 – AAPA Leadership Summit, Milwaukee, MN
- G. June 7-8, 2025 – Maritime Festival, Port Angeles, WA
- H. June 25-27, 2025 – WPPA Finance & Administration Seminar, Walla Walla, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION (TIME PERMITTING)

XVIII. EXECUTIVE SESSION



The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

XIX. ADJOURN (44:34-45:59)

Comm. Burke adjourned the meeting at 8:47 am.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Steven Burke, President

Connie Beauvais, Secretary

**PORT OF PORT ANGELES
GENERAL FUND – LETTER OF TRANSMITTAL
VOUCHER APPROVAL**

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due, and unpaid obligation against the Port of Port Angeles, and that we are authorized to authenticate and certify to said claim.

This process is in compliance with the applicable RCWs and the State Auditor's Budget Accounting and Reporting System (BARS) requirements. Further, the Port maintains effective internal controls to ensure that all disbursements are valid obligations authorized in accordance with the Delegation of Authority Policy.

SUMMARY TRANSMITTAL March 20, 2025 – April 2, 2025

CERTIFICATION

Accounts Payable

	Begin	End		
For General Expenses and Construction	Check #	Check #		
Accts Payable Checks (computer)	419123	419165	\$	129,659.15
Voided/Zero Payable	419105	419122		
Accts Payable ACH	004665	004698	\$	175,915.05
VOIDED/ZERO PAYABLE ACH				
Wire Transfer - Expenses			\$	-
Wire Transfer - Excise Tax			\$	4,673.72
Wire Transfer - Leasehold Tax			\$	-
Total General Expenses and Construction			\$	310,247.92

Payroll

Employee Payroll – Draws (Direct Deposit)			\$	-
Voided Payroll Check	004629,004643		\$	-
Employee Payroll Checks PPD (Direct Dep)	004601	004664	\$	117,456.33
Wire Transfer – (Payroll Taxes, Retirement, Deferred Comp, L&I, PMFL)			\$	65,980.04
Total Payroll			\$	183,436.37
Total General Exp & Payroll			\$	493,684.29

I, the Port Auditor or Deputy Auditor, do hereby clarify that the claims listed above are true and valid obligations and that appropriate and effective internal controls are in place to ensure that the outstanding obligations have been processed in accordance with the Port of Port Angeles procurement/payment policies and delegation of authority.

Auditor / Deputy Auditor

Commissioner, Connie Beauvais

Commissioner, Steven D. Burke

Commissioner, Colleen McAleer

* Detail is available upon request to Jennifer Baker, Director of Finance & Administration: jenniferb@portofpa.com

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

April 8, 2025

Subject: Terminal 1 and 3 Planning RFQ

Presenter: Katharine Frazier, Grants & Contracts Manager

RCW & POLICY REQUIREMENTS

RCW 39.80 requires state, local, and special-purpose districts to procure professional services, including architectural and engineering services, through a qualification-based selection process. Firms must be selected based only on their qualifications; price cannot be used as a factor. Once selected, the price must be negotiated with the most qualified firm.

BACKGROUND:

In early 2025, the Clallam Economic Development Council (EDC) was awarded federal funds for multiple related projects through the Economic Development Administration's Public Works & Economic Adjustment Assistance (PWEAA) grant program. One project funded through the PWEAA award was initial planning for redeveloping Terminal 1 and Terminal 3 to increase cargo efficiency and throughput. The goal of this project is to prepare preliminary engineering and environmental materials needed to be competitive for future federal infrastructure funds.

Given that Clallam EDC is the fiscal sponsor for this work, Port Staff worked with the EDC's project manager to prepare a Request for Qualifications (RFQ). This partnership ensured that the procurement process would adhere to Clallam EDC's procurement policy, the Port's procurement policy, and the PWEAA grant's Specific Award Conditions (SAC) related to procurement.

On February 7, 2025, the Port issued the RFQ with a deadline of February 28. The notice was publicly advertised in the Seattle Daily Journal of Commerce and the Peninsula Daily News on February 7 and 14, in addition to being sent out to Marine Engineering firms listed on MRSC's statewide consultant roster. The RFQ outlined the scope of work, funding structure, and deliverables as required by the PWEAA grant.

The Port and Clallam EDC received five (5) Statements of Qualifications (SOQs) from Lloyd Engineering, WSP, KPFF, Jacobs Engineering, and Moffatt & Nichol. The review team consisted of Chris Hartman, Director of Engineering; Jesse Waknitz, Environmental Manager; Katharine Frazier, Grants & Contracts Manager; and Roy Mann, Clallam EDC's Project Manager.

Each consultant's SOQ was scored independently by review team members according to the criteria within the RFQ:

1. Qualifications and Experience 50 points
2. Description of Approach 40 points
3. Capability to Perform Services 10 points

After the SOQs were reviewed and scored, Jacobs Engineering and Moffatt & Nichol were selected for follow-up interviews.

Following interviews, the Port and Clallam EDC review team selected Moffatt & Nichol as the most qualified firm to complete the Terminal Planning project. This decision reflects Moffatt & Nichol's extensive experience in planning and permitting port infrastructure development, as well as their detailed understanding of the project goals and PWEAA requirements.

Moffatt & Nichol have organized a qualified team that, in addition to in-house engineering and permitting experts, includes HWA GeoSciences Inc. (HWA) for geotechnical analysis, AKS Engineering & Forestry (AKS) for topographic and bathymetric surveys, Pacific Rim Environmental Inc. (PacRim) for hazardous materials analysis, and Willamette Cultural Resources Associates (WCRA) for cultural and historic resources support.

ANALYSIS:

The proposed professional services agreement covers six tasks:

- Project Management
- Review of Existing Information and Data
- Alternative Analysis
- 30% Design Submittal
- Environmental Narrative
- SEPA and Permitting

The project schedule is as follows:

PROJECT SCHEDULE:

- | | |
|-----------------------------|-------------------------|
| - Grant Agreement Execution | April 2025 |
| - Review of Existing Data | April – May 2025 |
| - Alternative Analysis | June – July 2025 |
| - 30% Design Submittal | July - September 2025 |
| - Environmental Narrative | July - October 2025 |
| - SEPA and Permitting | October - December 2025 |

The project schedule has been designed to ensure that engineering and environmental materials will be ready to integrate into applications for future federal infrastructure funding opportunities, including the 2026 Port Infrastructure Development Program (PIDP).

ENVIRONMENTAL IMPACT:

Future redevelopment of Terminals 1 and 3 will require environmental mitigation measures. As part of this planning scope, Moffatt & Nichol will assist the Port in developing an environmental narrative that details the potential environmental impacts of the project and outlines how those impacts will be mitigated or avoided.

FISCAL IMPACT:

The total project cost will not exceed \$299,271 (Two Hundred Ninety-Nine Thousand and Two Hundred Seventy-One Dollars and Zero Cents). As the primary recipient of the PWEAA grant, Clallam EDC will serve as the fiscal sponsor for this project and will coordinate invoice payments with Moffatt & Nichol.

The Port contributed a total of \$150,000 to help Clallam EDC fulfill its non-federal PWEAA match. Matching funds were authorized by Resolution 25-1315 on January 28th, 2025.

RECOMMENDED ACTION:

The Port Team recommends that the Commission authorize the Executive Director to execute a professional services agreement with Moffatt & Nichol and Clallam EDC for a total project cost not to exceed \$299,271, and to make any necessary minor amendments to the agreement.

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

April 8, 2025

**Subject: Water Quality Combined (2022) Grant Agreement with the
Department of Ecology**

Presenter: Katharine Frazier, Grants & Contracts Manager

RCW & POLICY REQUIREMENTS

Resolution 24-1290 Section XVIII, “Application for and Acceptance of Grants,” requires Port Staff to gain Commission approval prior to accepting grants that require a Port contribution of \$50,000 or more.

BACKGROUND:

The Port’s Intermodal Handling and Transfer Facility (IHTF) is covered under a Department of Ecology Industrial Stormwater General Permit (ISGP). The Port is responsible for operating and maintaining the industrial area in a manner where stormwater discharges to the Port Angeles Harbor such that pollutant levels are below the benchmarks specified within the Permit. The Port is under an Administrative Order from the Department of Ecology for benchmark exceedances requiring the Port to install Stormwater Treatment by December 30, 2026.

In 2022, the Port applied to the Department of Ecology’s Water Quality Combined Financial Assistance program. The intent of this application was to secure funding for the design of a stormwater treatment system that would satisfy ISGP requirements at the IHTF. This project is complementary to the Maritime Administration-funded Port Infrastructure Development Program (PIDP) award of \$8.6 million, which will reduce runoff through IHTF surface improvements.

Given the project area’s proximity to the Lower Elwha Klallam Tribe’s Tse-whit-zen village site, finalization of the grant agreement with Ecology depended on the execution of a Memorandum of Agreement (MOA) between the Port, the Tribe, the Department of Archaeological & Historic Preservation (DAHP), and the Maritime Administration. This MOA was executed in January 2025.

Since then, Port Staff have worked with the Department of Ecology to finalize the grant agreement. The Department of Ecology has confirmed that all costs related to the project dating back to the original award date of July 2022 will be covered.

ANALYSIS:

While the grant was initially intended to cover the design phase, \$855,000 in state proviso funding for construction and construction management will also be included under this agreement. The proviso funds will be administered by the Department of Ecology.

The proposed grant agreement covers six tasks:

- Grant and Loan Administration
- Cultural and Environmental Review, and Permitting
- Design Plans and Specifications
- Construction Management (Proviso Funded)
- Construction (Proviso Funded)
- Project Close-Out

The Port selected Kennedy Jenks to complete the designs and bid documents for this project. The project schedule is as follows:

PROJECT SCHEDULE:

- | | |
|-----------------------------------------------------|----------------|
| - Grant Agreement Execution | April 2025 |
| - Draft Bid Issue Package and Reports | May 2025 |
| - Final Engineering Report Submitted to Ecology | June 2025 |
| - Final Bid Issue Package & Ecology Review Complete | September 2025 |
| - Ecology Grant Submittal | October 2025 |
| - Advertise for Bids | January 2026 |
| - Construction | May – Dec 2026 |

ENVIRONMENTAL IMPACT:

The final implementation of stormwater treatment will ensure that runoff leaving the Port's industrial area complies with the Department of Ecology Industrial Stormwater General Permit.

FISCAL IMPACT:

\$63,000 is included from the Port's 2025 Capital Budget, and \$189,000 has been awarded through the Department of Ecology Water Quality grant.

- | | |
|--------------------------------|------------------|
| • Port Capital Funds | \$63,000 |
| • Water Quality Combined Funds | \$189,000 |
| • <u>State Proviso</u> | <u>\$855,000</u> |
| Total Capital Spending | \$1,107,000 |

Since July 2022, the Port has spent \$37,008.32 on eligible project costs (cultural resources and archaeological services provided by HDR Engineering, Inc). Once the grant agreement is executed, these costs will be reimbursed.

RECOMMENDED ACTION:

The Port Team recommends the Commission authorize the Executive Director to execute the Water Quality Combined Financial Assistance Program agreement with the Department of Ecology for a total project cost of \$1,107,000 (\$63,000 Port, \$1,044,000 State), and to make any needed minor amendments to that agreement.



Agreement No. WQC-2022-PorAnp-00048

WATER QUALITY COMBINED FINANCIAL ASSISTANCE AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

PORT OF PORT ANGELES

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and Port of Port Angeles, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	Log Yard - Stormwater Treatment System
Total Cost:	\$1,106,900.00
Total Eligible Cost:	\$1,106,900.00
Ecology Share:	\$1,043,900.00
Recipient Share:	\$63,000.00
The Effective Date of this Agreement is:	07/01/2021
The Expiration Date of this Agreement is no later than:	06/30/2027
Project Type:	Stormwater Facility

Project Short Description:

This project will improve water quality in the Strait of Juan de Fuca (Port Angeles Harbor) through design and future construction of a stormwater treatment facility and conveyance structure at Port of Port Angeles Waterfront Log Yard Facility in the City of Port Angeles. This project will provide treatment to address Industrial Stormwater General Permit (ISGP) benchmarks.

Project Long Description:

The Port of Port Angeles Waterfront Log Yard provides transportation for timber on and off the Olympic Peninsula to domestic and international markets. It contributes 180 total jobs to the community and supports an additional 595 jobs in dependent businesses.

The Waterfront Log Yard operates over the top of approximately two-thirds and adjacent to one-third of the precontact

Agreement No: WQC-2022-PorAnp-00048
Project Title: Log Yard - Stormwater Treatment System
Recipient Name: Port of Port Angeles

archaeological village site, Tse-whit-zen. This ancestral village of the Lower Elwha Klallam Tribe (Tribe) was in continuous use from time immemorial until the Tribe was physically dispossessed of the waterfront in the early 1900s. Procedures for consultation with the Tribe, mitigation, and inadvertent discoveries during projects with potential impacts to cultural resources are addressed in a 2006 settlement agreement entered into between the Tribe, RECIPIENT, the State of Washington, and the City of Port Angeles (4-Party Settlement Agreement).

The RECIPIENT established a separate Memorandum of Agreement (MOA) with the Tribe that defines mitigation measures to resolve adverse impacts from the project. It includes the transfer of approximately 6.13 acres of Protection Area from the RECIPIENT to the Tribe, the transfer of 3 stormwater ponds from the Tribe to the RECIPIENT, monitoring of all ground disturbing activities by a professional archaeologist and Tribal Cultural Resource Monitor, and adherence to an Inadvertent Discovery Plan in accordance with federal and state laws. The RECIPIENT will continue to document Tribal consultation efforts and share documentation with ECOLOGY and the Washington State Department of Archaeology and Historic Preservation (DAHP). The RECIPIENT will develop a design and construction specifications package that protects the burials and known cultural and archaeological resources of the Tse-whit-zen site.

The Waterfront Log Yard is adjacent to Port Angeles Harbor (Harbor) on the sheltered side of Ediz Hook within the Strait of Juan de Fuca. The Harbor supports primary contact recreation and shellfish and crab harvesting. The Harbor is within the Tribe's usual and accustomed fishing grounds and stations as recognized by orders of the court in *United States v. Washington*. The Harbor supports all life stages of shellfish and for juvenile salmonids that support the Tribe's treaty reserved fisheries.

Stormwater runoff from the site collects and discharges via outfall pipes into the Harbor with minimal or interim treatment and is contaminated with total suspended solids (TSS), oil (total petroleum hydrocarbons), copper, zinc, and chemical oxygen demand (COD). In 2015, to address ongoing pollution concerns associated with the Waterfront Log Yard operation, ECOLOGY's Water Quality Program issued an Industrial Stormwater Permit Level 3 Corrective Action Order (No. 19449) to the RECIPIENT. The order requires installation of an approved stormwater system to achieve water quality standards for discharges to the Harbor. To address historic pollution concerns associated with Terminals 5, 6, and 7, the Port of Port Angeles is currently conducting a remedial investigation under an agreed order with ECOLOGY's Toxics Cleanup Program. The Waterfront Log Yard is located on part of a Model Toxics Control Act (MTCA) cleanup site in Terminals 5, 6 and 7 Uplands (CSID # 15440).

The RECIPIENT will design a stormwater treatment facility for the Waterfront Log Yard to meet ECOLOGY Industrial Stormwater General Permit (ISGP) benchmarks (Terminals 5 and 7) and water quality standards. The facility will treat approximately 10 acres of contributing basin. Stormwater will be collected and conveyed to the treatment facility through the installation of new asphalt paving, piping, pumping, and stormwater lines. The RECIPIENT also received federal funding along with state Proviso funding to make these improvements.

Overall Goal:

This project will help protect and restore water quality in Washington State by reducing stormwater impacts from existing infrastructure and development.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

RECIPIENT INFORMATION

Organization Name: Port of Port Angeles

Federal Tax ID: 91-6001023

UEI Number: U4C1BC6BD414

Mailing Address: 338 W First Street
Port Angeles, WA 98362

Physical Address: 338 W First Street
Port Angeles, Washington 98362

Organization Email: katharinef@portofpa.com

Contacts

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

Project Manager	Chris Hartman Director of Engineering Port of Port Angeles 338 West First Street Port Angeles, Washington 98362 Email: chrish@portofpa.com Phone: (360) 457-8527
Billing Contact	Sarah Kuh Management Accountant 338 W First Street Port Angeles, Washington 98362 Email: sarahk@portofpa.com Phone: (360) 457-3455
Authorized Signatory	Paul Jarkiewicz Executive Director 338 W First Street Port Angeles, Washington 98362 Email: paulj@portofpa.com Phone: (360) 457-3455

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

ECOLOGY INFORMATION

Mailing Address: Department of Ecology
Water Quality
PO BOX 47600
Olympia, WA 98504-7600

Physical Address: Water Quality
300 Desmond Drive SE
Lacey, WA 98503

Contacts

Project Manager	David Mora 12121 NE 99th Street Suite 2100 Vancouver, Washington 98677 Email: damo461@ecy.wa.gov Phone: (360) 515-8106
Financial Manager	Melissa Conger PO Box 47600 Olympia, Washington 98504-7600 Email: meco461@ecy.wa.gov Phone: (360) 706-4202

Agreement No: WQC-2022-PorAnp-00048
Project Title: Log Yard - Stormwater Treatment System
Recipient Name: Port of Port Angeles

AUTHORIZING SIGNATURES

RECIPIENT agrees to furnish the necessary personnel, equipment, materials, services, and otherwise do all things necessary for or incidental to the performance of work as set forth in this Agreement.

RECIPIENT acknowledges that they had the opportunity to review the entire Agreement, including all the terms and conditions of this Agreement, Scope of Work, attachments, and incorporated or referenced documents, as well as all applicable laws, statutes, rules, regulations, and guidelines mentioned in this Agreement. Furthermore, the RECIPIENT has read, understood, and accepts all requirements contained within this Agreement.

This Agreement contains the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein.

No subsequent modifications or amendments to this agreement will be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement. ECOLOGY and RECIPIENT may change their respective staff contacts without the concurrence of either party.

This Agreement shall be subject to the written approval of Ecology's authorized representative and shall not be binding until so approved.

The signatories to this Agreement represent that they have the authority to execute this Agreement and bind their respective organizations to this Agreement.

Washington State
Department of Ecology

Port of Port Angeles

By: _____

By: _____

Vincent McGowan, P.E.

Date

Paul Jarkiewicz

Date

Water Quality

Executive Director

Program Manager

Template Approved to Form by
Attorney General's Office

Agreement No: WQC-2022-PorAnp-00048
Project Title: Log Yard - Stormwater Treatment System
Recipient Name: Port of Port Angeles

SCOPE OF WORK

Task Number: 1 **Task Cost: \$0.00**

Task Title: Grant and Loan Administration

Task Description:

A. The RECIPIENT shall carry out all work necessary to meet ECOLOGY grant or loan administration requirements. Responsibilities include, but are not limited to: Maintenance of project records; submittal of requests for reimbursement and corresponding backup documentation; progress reports; the EAGL (Ecology Administration of Grants and Loans) recipient closeout report; and a two-page outcome summary report (including photos, if applicable). In the event that the RECIPIENT elects to use a contractor to complete project elements, the RECIPIENT shall retain responsibility for the oversight and management of this funding agreement.

B. The RECIPIENT shall keep documentation that demonstrates the project is in compliance with applicable procurement, contracting, and interlocal agreement requirements; permitting requirements, including application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items. This documentation shall be available upon request.

C. The RECIPIENT shall maintain effective communication with ECOLOGY and maintain up-to-date staff contact information in the EAGL system. The RECIPIENT shall carry out this project in accordance with any completion dates outlined in this agreement.

Task Goal Statement:

Properly managed and fully documented project that meets ECOLOGY's grant or loan administrative requirements.

Task Expected Outcome:

- * Timely and complete submittal of requests for reimbursement, quarterly progress reports, Recipient Closeout Report, and two-page outcome summary report.
- * Properly maintained project documentation.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

Grant and Loan Administration**Deliverables**

Number	Description	Due Date
1.1	Progress Reports that include descriptions of work accomplished, project challenges or changes in the project schedule. Submitted at least quarterly.	
1.2	Recipient Closeout Report (EAGL Form)	
1.3	Two-page Outcome Summary Report	

SCOPE OF WORK

Task Number: 2 **Task Cost:** \$37,000.00

Task Title: Cultural and Environmental Review, and Permitting

Task Description:

The RECIPIENT must ensure the following items are completed and provide the associated deliverables to ECOLOGY. The RECIPIENT must approve all materials prior to submitting them to ECOLOGY for acceptance.

The RECIPIENT must receive written notice from ECOLOGY prior to proceeding with work. Examples of work may include (but are not limited to) geotechnical work, acquisition, site prep work, and BMP (best management practice) installations. Work done prior to written notice to proceed shall not be eligible for reimbursement.

A. The RECIPIENT will submit a final signed Section 106 Memorandum of Agreement (MOA) with the Lower Elwha Klallam Tribe (Tribe), Department of Archaeology and Historic Preservation (DAHP), and U.S. Department of Transportation Maritime Administration (MARAD) that includes mitigation measures to mitigate adverse effects from the project. The RECIPIENT will implement the mitigation measures as defined in the MOA and incorporate them into the design and construction deliverables. These mitigation measures include but are not limited to the following. The RECIPIENT will:

1. Transfer approximately 6.13 acres of Protection Area from the RECIPIENT to the Tribe.
2. Transfer of ownership of 3 stormwater ponds from the Tribe to the RECIPIENT.
3. Obtain a State of Washington Archaeological Site Alteration and Excavation Permit from DAHP.
4. Require a professional archaeologist and Tribal Cultural Resource Monitor be onsite during all ground disturbing activities.
5. Adhere to a Monitoring and Inadvertent Discovery Plan in accordance with the MOA, federal, and state laws.

B. The RECIPIENT will submit the State Environmental Policy Act (SEPA) checklist for ECOLOGY project manager review and notify the ECOLOGY project manager when the official comment period begins. The RECIPIENT will also upload the final SEPA determination.

C. The RECIPIENT is responsible for application of, receipt of, and compliance with all required local, state, tribal, and federal permits, licenses, easements, or property rights necessary for the project.

Task Goal Statement:

The RECIPIENT will complete all cultural and environmental reviews and permitting tasks in a timely manner.

Task Expected Outcome:

The project will meet the cultural resource protection requirements, the State Environmental Policy Act (SEPA), the 4-Party Settlement Agreement terms and conditions, and all other applicable federal, state, and local laws, and regulations.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

Cultural and Environmental Review, and Permitting**Deliverables**

Number	Description	Due Date
2.1	Final Section 106 Memorandum of Agreement (MOA). Email the MOA directly to the ECOLOGY Project Manager. DO NOT upload to EAGL.	
2.2	SEPA Checklist. Upload the checklist, or other documentation for projects considered exempt from SEPA review, to EAGL and notify ECOLOGY when official comment period begins.	
2.3	Final SEPA Determination. Upload to EAGL and notify ECOLOGY.	

SCOPE OF WORK

Task Number: 3 **Task Cost:** \$215,000.00

Task Title: Design Plans and Specifications

Task Description:

The RECIPIENT must ensure the following items are completed and provide the associated deliverables to ECOLOGY. The RECIPIENT must approve all materials prior to submitting them to ECOLOGY for acceptance.

The RECIPIENT will develop a stormwater project design. The design submittals must conform to the Stormwater Deliverables Guidance document. Projects must be designed in accordance with the Stormwater Management Manual for Eastern Washington, Stormwater Management Manual for Western Washington, or equivalent manual. Refer to the ECOLOGY website for specific guidance. Project must be reviewed and accepted in writing by ECOLOGY to be eligible for reimbursement.

The RECIPIENT will upload the design submittals listed below to EAGL for ECOLOGY review. Reduce design figures to 11x17 inches in size and ensure they are legible.

A. The RECIPIENT will submit a Design Report to ECOLOGY for review and acceptance. Allow 45 calendar days for ECOLOGY review.

The RECIPIENT agrees to respond to ECOLOGY comments. The RECIPIENT must receive an Ecology Design Report Acceptance Letter prior to proceeding to 90 Percent Design.

1. The RECIPIENT will calculate and submit a preliminary equivalent new/re-development area for the completed design using the methods outlined in the Stormwater Deliverables Guidance.

B. The RECIPIENT will submit preliminary GIS polygon data. Acceptable formats include shapefiles, file geodatabase feature classes, shared feature service URLs, or ECOLOGY-accepted equivalent. Refer to the Stormwater Deliverable Guidance for more information.

C. The RECIPIENT will submit a 90 Percent Design Package to ECOLOGY for review and acceptance. At a minimum, this package must include 90 percent plans, specifications, engineer's opinion of cost including a schedule of eligible costs, and project construction schedule. The current required bid inserts and specifications may be found on the Ecology website. Allow 45 calendar days for ECOLOGY review.

The RECIPIENT agrees to respond to ECOLOGY comments. The RECIPIENT must receive an Ecology 90 Percent Design Acceptance Letter prior to proceeding to Final Bid Package.

D. The RECIPIENT will submit a Final Bid Package to ECOLOGY for review and acceptance prior to advertising the project. The Final Bid Package includes project plans, specifications, engineer's opinion of cost including a schedule of eligible costs, and project construction schedule. Allow 15 calendar days for ECOLOGY review.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

The RECIPIENT agrees to respond to ECOLOGY comments. The RECIPIENT must receive an Ecology Final Bid Package Acceptance Letter prior to advertising the project.

Task Goal Statement:

The RECIPIENT will complete all design tasks and respond to ECOLOGY comments in a timely manner.

Task Expected Outcome:

The project will meet the requirements set forth by ECOLOGY water quality facility design standards and all other applicable federal, state, and local laws, and regulations.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

Design Plans and Specifications**Deliverables**

Number	Description	Due Date
3.1	Signed and dated consultant contract, if procuring services for design. The contract must include ECOLOGY's standard contract clauses and/or specification insert. Upload to EAGL and notify ECOLOGY.	
3.2	Design Report. Upload to EAGL and notify ECOLOGY.	
3.3	Design Report level shapefiles, file geodatabase feature classes, shared feature services, or ECOLOGY-accepted equivalent to include the contributing basin(s), BMP footprint(s), collection and conveyance structures, types of disturbance within the Area of Potential Effect (APE), and the Protection Area. Upload to EAGL and notify ECOLOGY.	
3.4	Responses to ECOLOGY Design Report comments. Upload to EAGL and notify ECOLOGY	
3.5	ECOLOGY Design Report Acceptance Letter. Upload to EAGL and notify ECOLOGY.	
3.6	90 Percent Design Package. Upload to EAGL and notify ECOLOGY.	
3.7	Responses to ECOLOGY 90 Percent Design Package comments. Upload to EAGL and notify ECOLOGY.	
3.8	ECOLOGY 90 Percent Design Acceptance Letter. Upload to EAGL and notify ECOLOGY.	
3.9	Final Bid Package. Upload to EAGL and notify ECOLOGY.	
3.10	Responses to ECOLOGY Final Bid Package comments. Upload to EAGL and notify ECOLOGY.	
3.11	Ecology Final Bid Package Acceptance Letter. Upload to EAGL and notify ECOLOGY.	
3.12	Bid Documents (e.g. bid announcement, bid tabulations, and bid award). Upload to EAGL and notify ECOLOGY.	

SCOPE OF WORK

Task Number: 4 **Task Cost:** \$154,900.00

Task Title: Construction Management-Proviso Funded

Task Description:

The RECIPIENT must ensure the following items are completed and provide the associated deliverables to ECOLOGY. The RECIPIENT must approve all materials prior to submitting them to ECOLOGY for acceptance.

- A. The RECIPIENT will provide construction oversight and management of the project.
- B. The RECIPIENT will submit a detailed Construction Quality Assurance Plan (CQAP) to ECOLOGY for review and acceptance before the start of construction. This plan must describe how the RECIPIENT will perform adequate and competent construction oversight. Guidance for CQAP development is located in the Stormwater Deliverables Guidance document available on the ECOLOGY website. Allow 15 calendar days for ECOLOGY review.
- C. The RECIPIENT will conduct a pre-construction conference meeting and invite ECOLOGY to attend.
- D. The RECIPIENT will submit a project schedule prior to the start of construction and whenever major changes occur.
- E. Prior to execution, the RECIPIENT will submit to ECOLOGY any eligible change orders that deviate from ECOLOGY-accepted plans and specifications. ECOLOGY must review and accept all change orders that affect grant eligible activities prior to implementation. Allow 10 calendar days for ECOLOGY review.

Task Goal Statement:

The RECIPIENT will oversee and manage construction, communicate with ECOLOGY in a timely fashion, and provide ECOLOGY with all requested project documentation.

Task Expected Outcome:

The project will be constructed on schedule and in accordance with accepted plans.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

Construction Management-Proviso Funded**Deliverables**

Number	Description	Due Date
4.1	Construction Quality Assurance Plan. Upload to EAGL and notify ECOLOGY. Upload ECOLOGY acceptance documentation.	
4.2	Pre-Construction Conference Meeting Minutes. Upload to EAGL and notify ECOLOGY.	
4.3	Project Schedule. Submit prior to construction and when changes occur. Upload to EAGL and notify ECOLOGY.	
4.4	Change Order(s). Upload to EAGL and notify ECOLOGY. Upload ECOLOGY acceptance documentation.	

SCOPE OF WORK

Task Number: 5 **Task Cost:** \$700,000.00

Task Title: Construction-Proviso Funded

Task Description:

The RECIPIENT must ensure the following items are completed and provide the associated deliverables to ECOLOGY. The RECIPIENT must approve all materials prior to submitting them to ECOLOGY for acceptance.

A. The RECIPIENT will complete construction of the project in accordance with ECOLOGY-accepted plans and specifications.

B. Stormwater Construction Completion Form signed by a professional engineer indicating that the project was completed in accordance with the plans and specifications, and major change orders approved by ECOLOGY's Project Engineer and shown on the Record Drawings. The Stormwater Construction Completion Form can be found on the ECOLOGY website.

Task Goal Statement:

Construction of the project in accordance with ECOLOGY-accepted plans and specifications.

Task Expected Outcome:

Construction of the project will provide water quality benefits including reductions in untreated stormwater runoff.

Construction-Proviso Funded

Deliverables

Number	Description	Due Date
5.1	Signed and dated construction contract. Upload to EAGL and notify ECOLOGY.	
5.2	Stormwater Construction Completion Form. Upload to EAGL and notify ECOLOGY.	

SCOPE OF WORK

Task Number: 6 **Task Cost: \$0.00**

Task Title: Project Close Out

Task Description:

The RECIPIENT must ensure the following items are completed and provide the associated deliverables to ECOLOGY. The RECIPIENT must approve all materials prior to submitting them to ECOLOGY for acceptance.

- A. The RECIPIENT will operate and maintain the constructed facility for the design life of the facility. The RECIPIENT will develop and submit an Operations and Maintenance (O&M) plan for all facilities constructed with ECOLOGY funding to ECOLOGY for review. The O&M plan must address long-term activities to assure ongoing pollutant removal and flow-control capability of the project in accordance with the design manual. O&M plan development guidance is located in the Stormwater Deliverables Guidance document available on the ECOLOGY website. Allow 15 calendar days for ECOLOGY review.
- B. The RECIPIENT will submit GIS polygon data that is consistent with the final project for the contributing basin(s) and BMP footprint(s). Acceptable formats include shapefiles, file geodatabase feature classes, public-facing feature service URLs, or ECOLOGY-accepted equivalent. Refer to the Stormwater Deliverable Guidance for more information.
- C. The RECIPIENT will submit the Recipient Close Out Report (RCOR) in EAGL in accordance with Task 1.
- D. The RECIPIENT will submit an Outcomes Summary using the ECOLOGY template in accordance with Task 1.
- E. The RECIPIENT will calculate and submit a final equivalent new/re-development area for the completed retrofit project(s) using the methods outlined in the Stormwater Deliverables Guidance document. Include a table showing the final equivalent new/re-development area compared to the area provided in the ECOLOGY-accepted Design Report. If unchanged, provide written documentation.

Task Goal Statement:

The RECIPIENT will complete all close out submittals in a timely manner.

Task Expected Outcome:

- * Timely and complete submittal of O&M plan, equivalent area calculation, GIS, Recipient Closeout Report, and Outcomes Summary.
- * Proper maintenance of the constructed facility to maintain water quality benefits.

Agreement No: WQC-2022-PorAnp-00048

Project Title: Log Yard - Stormwater Treatment System

Recipient Name: Port of Port Angeles

Project Close Out**Deliverables**

Number	Description	Due Date
6.1	Facility Operation and Maintenance Plan. Upload to EAGL and notify ECOLOGY. Upload ECOLOGY acceptance documentation.	
6.2	Project shapefile, file geodatabase feature classes, shared feature services, or ECOLOGY-accepted equivalent. Upload to EAGL and notify ECOLOGY. Upload ECOLOGY acceptance documentation.	
6.3	Final, as constructed, equivalent new/redevelopment area determination. If unchanged, provide written documentation. Upload to EAGL and notify ECOLOGY.	

Agreement No: WQC-2022-PorAnp-00048
 Project Title: Log Yard - Stormwater Treatment System
 Recipient Name: Port of Port Angeles

BUDGET**Funding Distribution EG250404**

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: SFAP
 Funding Effective Date: 07/01/2021
 Funding Source:

Funding Type: Grant
 Funding Expiration Date: 06/30/2027

Title: SFAP - SFY22
 Fund: FD
 Type: State
 Funding Source %: 100%
 Description: Model Toxics Control Capital Account(MTCCA) Stormwater

Approved Indirect Costs Rate: Approved State Indirect Rate: 30%
 Recipient Match %: 25%
 InKind Interlocal Allowed: No
 InKind Other Allowed: No
 Is this Funding Distribution used to match a federal grant? No

SFAP	Task Total
Grant and Loan Administration	\$ 0.00
Cultural and Environmental Review, and Permitting	\$ 37,000.00
Design Plans and Specifications	\$ 215,000.00
Project Close Out	\$ 0.00

Total: \$ 252,000.00

Agreement No: WQC-2022-PorAnp-00048
 Project Title: Log Yard - Stormwater Treatment System
 Recipient Name: Port of Port Angeles

BUDGET

Funding Distribution EG250405

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: Stormwater Supplemental Proviso Funding Type: Grant
 Funding Effective Date: 07/01/2022 Funding Expiration Date: 06/30/2027
 Funding Source:

Title: Stormwater Supplemental Proviso
 Fund: FD
 Type: State
 Funding Source %: 100%
 Description: Model Toxics Control Stormwater Account Supplemental Proviso for Phase 1 of the Port of Port Angeles, Log Yard – Stormwater Treatment Facility Project

Approved Indirect Costs Rate: Approved State Indirect Rate: 30%
 Recipient Match %: 0%
 InKind Interlocal Allowed: No
 InKind Other Allowed: No
 Is this Funding Distribution used to match a federal grant? No

Stormwater Supplemental Proviso	Task Total
Construction Management-Proviso Funded	\$ 154,900.00
Construction-Proviso Funded	\$ 700,000.00

Total: \$ 854,900.00

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
SFAP	25.00 %	\$ 63,000.00	\$ 189,000.00	\$ 252,000.00
Stormwater Supplemental Proviso	0.00 %	\$ 0.00	\$ 854,900.00	\$ 854,900.00
Total		\$ 63,000.00	\$ 1,043,900.00	\$ 1,106,900.00

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

SECTION 1: DEFINITIONS

Unless otherwise provided, the following terms will have the respective meanings for all purposes of this agreement:

“Administration Charge” means a charge established in accordance with Chapter 90.50A RCW and Chapter 173-98 WAC, to be used to pay Ecology’s cost to administer the State Revolving Fund by placing a percentage of the interest earned in an Administrative Charge Account.

“Administrative Requirements” means the effective edition of ECOLOGY's Administrative Requirements for Recipients of Ecology Grants and Loans at the signing of this agreement.

“Annual Debt Service” for any calendar year means for any applicable bonds or loans including the loan, all interest plus all principal due on such bonds or loans in such year.

“Average Annual Debt Service” means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the loan to the last scheduled maturity of the loan divided by the number of those years.

“Acquisition” means the purchase or receipt of a donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access/trail easements, covenants, water rights, leases, and mineral rights.

“Centennial Clean Water Program” means the state program funded from various state sources.

“Contract Documents” means the contract between the RECIPIENT and the construction contractor for construction of the project.

“Cost Effective Analysis” means a comparison of the relative cost-efficiencies of two or more potential ways of solving a water quality problem as described in Chapter 173-98-730 WAC.

“Defease” or “Defeasance” means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

“Effective Date” means the earliest date on which eligible costs may be incurred.

“Effective Interest Rate” means the total interest rate established by Ecology that includes the Administrative Charge.

“Estimated Loan Amount” means the initial amount of funds loaned to the RECIPIENT.

“Estimated Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Estimated Loan Amount.

“Equivalency” means projects designated by ECOLOGY to meet additional federal requirements.

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“Expiration Date” means the latest date on which eligible costs may be incurred.

“Final Accrued Interest” means the interest accrued beginning with the first disbursement of funds to the RECIPIENT through such time as the loan is officially closed out and a final loan repayment schedule is issued.

“Final Loan Amount” means all principal of and interest on the loan from the Project Start Date through the Project Completion Date.

“Final Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Final Loan Amount.

“Forgivable Principal” means the portion of a loan that is not required to be paid back by the borrower.

“General Obligation Debt” means an obligation of the RECIPIENT secured by annual ad valorem taxes levied by the RECIPIENT and by the full faith, credit, and resources of the RECIPIENT.

“General Obligation Payable from Special Assessments Debt” means an obligation of the RECIPIENT secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

“Gross Revenue” means all of the earnings and revenues received by the RECIPIENT from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the Loan Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) RECIPIENT taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defeasance or refund Utility obligations or (B) in an obligation redemption fund or account other than the Loan Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

“Guidelines” means the ECOLOGY’s Funding Guidelines that correlate to the State Fiscal Year in which the project is funded.

“Initiation of Operation Date” means the actual date the Water Pollution Control Facility financed with proceeds of the loan begins to operate for its intended purpose.

“Loan” means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this loan agreement.

“Loan Amount” means either an Estimated Loan Amount or a Final Loan Amount, as applicable.

“Loan Fund” means the special fund created by the RECIPIENT for the repayment of the principal of and interest on the loan.

“Loan Security” means the mechanism by which the RECIPIENT pledges to repay the loan.

“Loan Term” means the repayment period of the loan.

“Maintenance and Operation Expense” means all reasonable expenses incurred by the RECIPIENT in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or RECIPIENT levied taxes or payments to the RECIPIENT in lieu of taxes.

“Net Revenue” means the Gross Revenue less the Maintenance and Operation Expense.

“Original Engineer’s Estimate” means the engineer’s estimate of construction costs included with bid documents.

“Principal and Interest Account” means, for a loan that constitutes Revenue-Secured Debt, the account created in the loan fund to be first used to repay the principal of and interest on the loan.

“Project” means the project described in this agreement.

“Project Completion Date” means the date specified in the agreement on which the Scope of Work will be fully completed. This term is only used in loan agreements.

“Project Schedule” means that schedule for the project specified in the agreement.

“Revenue-Secured Debt” means an obligation of the RECIPIENT secured by a pledge of the revenue of a utility and one not a general obligation of the RECIPIENT.

“Reserve Account” means, for a loan that constitutes a Revenue Secured Debt and if specifically identified as a term and

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condition of the funding agreement, the account of that name created in the loan fund to secure the payment of the principal of and interest on the loan.

“Risk-Based Determination” means an approach to sub-recipient monitoring and oversight based on risk factors associated to a RECIPIENT or project.

“Scope of Work” means the tasks and activities constituting the project.

“Section 319” means the section of the Clean Water Act that provides funding to address nonpoint sources of water pollution.

“Senior Lien Obligations” means all revenue bonds and other obligations of the RECIPIENT outstanding on the date of execution of this loan agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this loan agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the loan, subject only to Maintenance and Operation Expense.

“State Water Pollution Control Revolving Fund (Revolving Fund)” means the water pollution control revolving fund established by Chapter 90.50A.020 RCW.

“Termination Date” means the effective date of ECOLOGY’s termination of the agreement.

“Termination Payment Date” means the date on which the RECIPIENT is required to repay to ECOLOGY any outstanding balance of the loan and all accrued interest.

“Total Eligible Project Cost” means the sum of all costs associated with a water quality project that have been determined to be eligible for ECOLOGY grant or loan funding, including any required recipient match.

“Total Project Cost” means the sum of all costs associated with a water quality project, including costs that are not eligible for ECOLOGY grant or loan funding.

“ULID” means any utility local improvement district of the RECIPIENT created for the acquisition or construction of additions to and extensions and betterments of the Utility.

“ULID Assessments” means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the Loan Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

“Utility” means the sewer system, stormwater system, or the combined water and sewer system of the RECIPIENT, the Net Revenue of which is pledged to pay and secure the loan.

SECTION 2: THE FOLLOWING CONDITIONS APPLY TO ALL RECIPIENTS OF WATER QUALITY COMBINED FINANCIAL ASSISTANCE FUNDING.

The Water Quality Financial Assistance Funding Guidelines are included in this agreement by reference and are available on ECOLOGY’s Water Quality Program website.

A. Architectural and Engineering Services: The RECIPIENT certifies by signing this agreement that the requirements of Chapter 39.80 RCW, “Contracts for Architectural and Engineering Services,” have been, or shall be, met in procuring qualified architectural/engineering services. The RECIPIENT shall identify and separate eligible and ineligible costs in the final architectural/engineering services contract and submit a copy of the contract to ECOLOGY.

B. Acquisition: The following provisions shall be in force only if the project described in this agreement is an acquisition project:

a. Evidence of Land Value and Title. The RECIPIENT shall submit documentation of the cost of the property rights and the type of ownership interest that has been acquired.

b. Legal Description of Real Property Rights Acquired. The legal description of the real property rights purchased with funding assistance provided through this agreement (and protected by a recorded conveyance of rights to the State of Washington) shall be incorporated into the agreement before final payment.

c. Conveyance of Rights to the State of Washington. Upon purchase of real property rights (both fee simple and lesser interests), the RECIPIENT shall execute the document necessary to convey certain rights and responsibilities to ECOLOGY, on behalf of the State of Washington. The documents required will depend on the project type, the real property rights being acquired, and whether or not those rights are being acquired in perpetuity (see options below). The RECIPIENT shall use

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language provided by ECOLOGY, to record the executed document in the County where the real property lies, and to provide a copy of the recorded document to ECOLOGY.

Documentation Options:

1. **Deed of Right.** The Deed of Right conveys to the people of the state of Washington the right to preserve, protect, and/or use the property for public purposes consistent with the fund source. RECIPIENTS shall use this document when acquiring real property rights that include the underlying land. This document may also be applicable for those easements where the RECIPIENT has acquired a perpetual easement for public purposes. The RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the deed of right.

2. **Assignment of Rights.** The Assignment of Rights document transfers certain rights such as access and enforcement to ECOLOGY. The RECIPIENT shall use this document when an easement or lease is being acquired for water quality and habitat conservation. The Assignment of Rights requires the signature of the underlying landowner and must be incorporated by reference in the easement document.

3. **Easements and Leases.** The RECIPIENT may incorporate required language from the Deed of Right or Assignment of Rights directly into the easement or lease document, thereby eliminating the requirement for a separate document. Language will depend on the situation; therefore, the RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the easement or lease.

d. Real Property Acquisition and Relocation Assistance.

1. **Federal Acquisition Policies.** See Section 4 of this agreement for requirements specific to Section 319 and SRF funded projects.

2. **State Acquisition Policies.** When state funds are part of this agreement, the RECIPIENT agrees to comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policy of the State of Washington, Chapter 8.26 RCW, and Chapter 468-100 WAC.

3. **Housing and Relocation.** In the event that housing and relocation costs, as required by federal law set out in subsection (1) above and/or state law set out in subsection (2) above, are involved in the execution of this project, the RECIPIENT agrees to provide any housing and relocation assistance required.

e. Hazardous Substances.

1. **Certification.** The RECIPIENT shall inspect, investigate, and conduct an environmental audit of the proposed acquisition site for the presence of hazardous substances, as defined in RCW 70.105D.020(10), and certify:

- i. No hazardous substances were found on the site, or
- ii. Any hazardous substances found have been treated and/or disposed of in compliance with applicable state and federal laws, and the site is deemed “clean.”

2. **Responsibility.** Nothing in this provision alters the RECIPIENT's duties and liabilities regarding hazardous substances as set forth in RCW 70.105D.

3. **Hold Harmless.** The RECIPIENT will defend, protect and hold harmless ECOLOGY and any and all of its employees and/or agents, from and against any and all liability, cost (including but not limited to all costs of defense and attorneys' fees) and any and all loss of any nature from any and all claims or suits resulting from the presence of, or the release or threatened release of, hazardous substances on the property the RECIPIENT is acquiring.

f. Restriction On Conversion Of Real Property And/Or Facilities To Other Uses

The RECIPIENT shall not at any time convert any real property (including any interest therein) or facility acquired, developed, maintained, renovated, and/or restored pursuant to this agreement to uses other than those purposes for which funds were approved without prior approval of ECOLOGY. For acquisition projects that are term limited, such as one involving a lease or a term-limited restoration, renovation or development project or easement, this restriction on conversion shall apply only for the length of the term, unless otherwise provided in written documents or required by applicable state or federal law. In such case, the restriction applies to such projects for the length of the term specified by the lease, easement, deed, or landowner

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C. Best Management Practices (BMP) Implementation: If the RECIPIENT installs BMPs that are not approved by ECOLOGY prior to installation, the RECIPIENT assumes the risk that part or all of the reimbursement for that activity may be delayed or ineligible. For more details regarding BMP Implementation, please reference the Water Quality Financial Assistance Funding Guidelines available on ECOLOGY's Water Quality Program funding website.

D. Electronic Fund Transfers: Payment will be issued through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process or electronic fund transfers, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.

E. Equipment Purchase: Equipment purchases over \$5,000 and not included in the scope of work or the Ecology approved construction plans and specifications, must be pre-approved by ECOLOGY's project manager before purchase. All equipment purchases over \$5,000 and not included in a contract for work being completed on the funded project, must also be reported on the Equipment Purchase Report in EAGL.

F. Funding Recognition: The RECIPIENT must inform the public about ECOLOGY or any EPA (see Section 3.B for Section 319 funded or Section 5.E for SRF funded projects) funding participation in this project through the use of project signs, acknowledgement in published materials, reports, the news media, websites, or other public announcements. Projects addressing site-specific locations must utilize appropriately sized and weather-resistant signs. Sign logos are available from ECOLOGY's Financial Manager upon request.

G. Growth Management Planning: The RECIPIENT certifies by signing this agreement that it is in compliance with the requirements of Chapter 36.70A RCW, "Growth Management Planning by Selected Counties and Cities." If the status of compliance changes, either through RECIPIENT or legislative action, the RECIPIENT shall notify ECOLOGY in writing of this change within 30 days.

H. Interlocal: The RECIPIENT certifies by signing this agreement that all negotiated interlocal agreements necessary for the project are, or shall be, consistent with the terms of this agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT shall submit a copy of each interlocal agreement necessary for the project to ECOLOGY upon request.

I. Lobbying and Litigation: Costs incurred for the purposes of lobbying or litigation are not eligible for funding under this agreement.

J. Post Project Assessment Survey: The RECIPIENT agrees to participate in a brief survey regarding the key project results or water quality project outcomes and the status of long-term environmental results or goals from the project approximately three years after project completion. A representative from ECOLOGY's Water Quality Program may contact the RECIPIENT to request this data. ECOLOGY may also conduct site interviews and inspections, and may otherwise evaluate the project, as part of this assessment.

K. Project Status Evaluation: ECOLOGY may evaluate the status at any time. ECOLOGY's Project Manager and Financial Manager will meet with the RECIPIENT to review spending trends, completion of outcome measures, and overall project administration and performance. If the RECIPIENT fails to make satisfactory progress toward achieving project outcomes, ECOLOGY may change the scope of work, reduce grant funds, or increase oversight measures.

L. Technical Assistance: Technical assistance for agriculture activities provided under the terms of this agreement shall be consistent with the current U.S. Natural Resource Conservation Service ("NRCS") Field Office Technical Guide for Washington State and specific requirements outlined in the Water Quality Funding Guidelines. Technical assistance, proposed practices, or project designs that do not meet these standards may be eligible if approved in writing by ECOLOGY.

SECTION 3: THE FOLLOWING CONDITIONS APPLY TO SECTION 319 AND CENTENNIAL CLEAN WATER FUNDED PROJECTS BEING USED TO MATCH SECTION 319 FUNDS.

The RECIPIENT must submit the following documents to ECOLOGY before this agreement is signed by ECOLOGY:

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1. Federal Funding Accountability and Transparency Act (FFATA) Form, available on the Water Quality Program website. (This form is used for Section 319 funds only)

2. “Section 319 Initial Data Reporting” form in EAGL.

A. Data Reporting: The RECIPIENT must complete the “Section 319 Initial Data Reporting” form in EAGL before this agreement can be signed by Ecology. This form is used to gather general information about the project for EPA.

B. Funding Recognition and Outreach: In addition to Section 2.F. of these Special Terms and Conditions, the RECIPIENT shall provide signage that informs the public that the project is funded by EPA. The signage shall contain the EPA logo and follow usage requirements available at <http://www2.epa.gov/stylebook/using-epa-seal-and-logo>. To obtain the appropriate EPA logo or seal graphic file, the RECIPIENT may send a request to their Ecology Financial Manager.

To increase public awareness of projects serving communities where English is not the predominant language, RECIPIENTS are encouraged to provide their outreach strategies communication in non-English languages. Translation costs for this purpose are allowable, provided the costs are reasonable. (Applies to both the Section 319 funded projects and the Centennial match projects)

The RECIPIENT shall use the following paragraph in all reports, documents, and signage developed under this agreement: (Applies to Section 319 funded projects only)

“This project has been funded wholly or in part by the United States Environmental Protection Agency under an assistance agreement to the Washington State Department of Ecology. The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the mention of trade names or commercial products constitute endorsement or recommendation for use.”

C. Load Reduction Reporting: The RECIPIENT shall complete the “Section 319 Annual Load Reduction Reporting” form in EAGL by January 15 of each year and at project close-out. ECOLOGY may hold reimbursements until the RECIPIENT has completed the form. This form is used to gather information on best management practices (BMPs) installed and associated pollutant load reductions that were funded as a part of this project.

D. Time Extension: The RECIPIENT may request a one-time extension for up to 12 months. However, the time extension cannot exceed the time limitation established in EPA’s assistance agreement. In the event a time extension is requested and approved by ECOLOGY, the RECIPIENT must complete all eligible work performed under this agreement by the expiration date. (For Section 319 funded projects only)

SECTION 4: THE FOLLOWING CONDITIONS APPLY TO SECTION 319 AND STATE REVOLVING FUND (SRF) LOAN FUNDED PROJECTS ONLY.

A. Accounting Standards: The RECIPIENT shall maintain accurate records and accounts for the project (PROJECT Records) in accordance with Generally Accepted Accounting Principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB), including standards related to the reporting of infrastructure assets or in accordance with the standards in Chapter 43.09.200 RCW “Local Government Accounting – Uniform System of Accounting.”

B. Acquisitions: Section 319 and SRF Equivalency project RECIPIENTS shall comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1970)--Public Law 91-646, as amended by the Surface Transportation and Uniform Relocation Assistance Act, PL 100-17-1987, and applicable regulations and procedures of the federal agency implementing that Act.

C. Audit Requirements: In accordance with 2 CFR 200.501(a), the RECIPIENT agrees to obtain a single audit from an independent auditor, if their organization expends \$750,000 or more in total Federal funds in their fiscal year. The RECIPIENT must submit the form SF-SAC and a Single Audit Report Package within 9 months of the end of the fiscal year or 30 days after receiving the report from an independent auditor. The SF-SAC and a Single Audit Report Package MUST be submitted using the Federal Audit Clearinghouse’s Internet Data Entry System available at: <https://facweb.census.gov/>.

D. Archaeological Resources and Historic Properties (Section 106): The RECIPIENT shall comply with the additional

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requirements under section 106 of the National Historic Preservation Act (NHPA, 36 CFR 800).

E. Data Universal Numbering System (DUNS) and Central Contractor Registration (CCR) Requirements: RECIPIENTs shall have a DUNS number. Unless exempted from this requirement under 2 CFR 25.110, the RECIPIENT must ensure that their organization's information in the System for Award Management (SAM), <https://www.sam.gov>, is kept current through project closeout. This requires that the RECIPIENT reviews and updates the information at least annually after the initial registration, and more frequently if information changes.

F. Disadvantaged Business Enterprise (DBE): General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this agreement.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under this agreement. Records documenting compliance with the following six good faith efforts shall be retained:

- 1) Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government RECIPIENTs, this shall include placing Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- 2) Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- 3) Consider, in the contracting process, whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State, and Local Government RECIPIENTs, this shall include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- 4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- 5) Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- 6) If the prime contractor awards subcontracts, require the prime contractor to take the five good faith efforts steps in paragraphs 1 through 5 above.

The RECIPIENT agrees to submit ECOLOGY's Contractor Participation Report Form D with each payment request.

Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

Non-discrimination Provision. The RECIPIENT shall not discriminate on the basis of race, color, national origin or sex in the performance of this agreement. The RECIPIENT shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the RECIPIENT to carry out these requirements is a material breach of this agreement which may result in the termination of this contract or other legally available remedies.

This does not preclude the RECIPIENT from enacting broader nondiscrimination protections.

The RECIPIENT shall comply with all federal and state nondiscrimination laws, including but not limited to, Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this agreement may be rescinded, canceled, or terminated in whole or in part and the RECIPIENT may be declared ineligible for further funding from ECOLOGY. The RECIPIENT shall, however, be given a reasonable time in which to cure

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this noncompliance.

The RECIPIENT shall include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this agreement.

“The Contractor will not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract or other legally available remedies.”

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list shall include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact
2. Entity's mailing address, telephone number, and e-mail address
3. The procurement on which the entity bid or quoted, and when
4. Entity's status as an MBE/WBE or non-MBE/WBE

G. Electronic and information Technology (EIT) Accessibility: RECIPIENTS shall ensure that loan funds provided under this agreement for costs in the development or purchase of EIT systems or products provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology as per Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7. Systems or products funded under this agreement must be designed to meet the diverse needs of users without barriers or diminished function or quality. Systems shall include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology.

H. Hotel-Motel Fire Safety Act: The RECIPIENT shall ensure that all space for conferences, meetings, conventions or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (15 USC 2225a, PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance, or to find other information about the Act. Pursuant to 15 USC 2225a.

I. Trafficking In Persons: The RECIPIENT and RECIPIENT employees that are private entities shall not engage in forms of trafficking in persons during the period of time this agreement is effective. This includes, but is not limited to, the procurement of a commercial sex act or forced labor. The RECIPIENT shall notify ECOLOGY immediately of any information received from any source alleging a violation under this provision.

SECTION 5: THE FOLLOWING CONDITIONS APPLY TO STATE REVOLVING FUND (SRF) LOAN FUNDED PROJECTS ONLY.

The RECIPIENT must submit the following documents/forms to ECOLOGY before this agreement is signed by ECOLOGY:

1. Financial Capability Assessment Documentation
2. Opinion of RECIPIENT's Legal Council
3. Authorizing Ordinance or Resolution
4. Federal Funding Accountability and Transparency Act (FFATA) Form (Required for SRF Equivalency projects only)
5. CWSRF Federal Reporting Information form available in EAGL
6. Fiscal Sustainability Plan (Asset Management) Certification Form in EAGL (Only required if the project includes construction of a wastewater or stormwater facility construction)
7. Cost and Effectiveness Analysis Certification Form in EAGL (Required for all projects receiving SRF Loan funding)
8. State Environmental Review Process (SERP) Documentation (Required for facility projects only)

A. Alteration and Eligibility of Project: During the term of this agreement, the RECIPIENT (1) shall not materially alter the design or structural character of the project without the prior written approval of ECOLOGY and (2) shall take no action

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which would adversely affect the eligibility of the project as defined by applicable funding program rules and state statutes, or which would cause a violation of any covenant, condition, or provision herein.

B. American Iron and Steel (Buy American): This loan provision applies to projects for the construction, alteration, maintenance, or repair of a “treatment works” as defined in the Federal Water Pollution Control Act (33 USC 1381 et seq.) The RECIPIENT shall ensure that all iron and steel products used in the project are produced in the United States. Iron and Steel products means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The RECIPIENT may request waiver from this requirement from the Administrator of the Environmental Protection Agency. The RECIPIENT must coordinate all waiver requests through ECOLOGY. This provision does not apply if the engineering plans and specifications for the project were approved by ECOLOGY prior to January 17, 2014. ECOLOGY reserves the right to request documentation of RECIPIENT’S compliance with this provision.

C. Authority of RECIPIENT: This agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT’s authority, and by the RECIPIENT pursuant to the authorizing ordinance or resolution. The RECIPIENT shall submit a copy of the authorizing ordinance or resolution to the ECOLOGY Financial Manager before this agreement shall be signed by ECOLOGY.

D. Equivalency Projects: (For designated equivalency projects only)

1. The RECIPIENT must procure architectural and engineering services in accordance with the federal requirements in Chapter 11 of Title 40, U.S.C. (see

www.gpo.gov/fdsys/pkg/USCODE-2011-title40/pdf/USCODE-2011-title40-subtitleI-chap11.pdf).

E. Fiscal Sustainability Plan Certification: The RECIPIENT shall submit a completed Fiscal Sustainability Plan Certification before this agreement is signed by ECOLOGY. The Fiscal Sustainability Plan Certification is available from the ECOLOGY Financial Manager or on the Water Quality Program website.

F. Funding Recognition and Outreach: In addition to Section 2.F of these Terms and Conditions, the RECIPIENT agrees to comply with the EPA SRF Signage Guidance in order to enhance public awareness of EPA assistance agreements nationwide. The signage guidance can be found at:

<https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans/Facility-project-resources>.

G. Insurance: The RECIPIENT shall at all times carry fire and extended insurance coverage, public liability, and property damage, and such other forms of insurance with responsible insurers and policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it shall self-insure or participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

H. Litigation Authority: No litigation is now pending, or to the RECIPIENT’S knowledge, threatened, seeking to restrain, or enjoin:

- (i) the execution of this agreement; or
- (ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the loan (for revenue secured lien obligations); or
- (iii) the levy and collection of the taxes pledged to pay the principal of and interest on the loan (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or
- (iv) in any manner questioning the proceedings and authority under which the agreement, the loan, or the project are authorized. Neither the corporate existence, or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this agreement has been repealed, revoked, or rescinded.

I. Loan Interest Rate and Terms: This loan agreement shall remain in effect until the date of final repayment of the loan, unless

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terminated earlier according to the provisions herein.

When the Project Completion Date has occurred, ECOLOGY and the RECIPIENT shall execute an amendment to this loan agreement which details the final loan amount (Final Loan Amount), and ECOLOGY shall prepare a final loan repayment schedule. The Final Loan Amount shall be the combined total of actual disbursements made on the loan and all accrued interest to the computation date.

The Estimated Loan Amount and the Final Loan Amount (in either case, as applicable, a "Loan Amount") shall bear interest based on the interest rate identified in this agreement as the "Effective Interest Rate," per annum, calculated on the basis of a 365 day year. Interest on the Estimated Loan Amount shall accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final Loan Amount shall be repaid in equal installments, semiannually, over the term of this loan "Loan Term" as outlined in this agreement.

J. Loan Repayment:

Sources of Loan Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the loan from the sources identified below and to perform and observe all other agreements and obligations on its part, contained herein, shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the loan from ECOLOGY, the RECIPIENT agrees to comply with all of the covenants, agreements, and attachments contained herein.

2. For General Obligation. This loan is a General Obligation Debt of the RECIPIENT.

3. For General Obligation Payable from Special Assessments. This loan is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

4. For Revenue-Secured: Lien Position. This loan is a Revenue-Secured Debt of the RECIPIENT's Utility. This loan shall constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

In addition, if this loan is also secured by Utility Local Improvement Districts (ULID) Assessments, this loan shall constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.

5. Other Sources of Repayment. The RECIPIENT may repay any portion of the loan from any funds legally available to it.

6. Defeasance of the Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT shall not be entitled to, and shall not affect, an economic Defeasance of the loan. The RECIPIENT shall not advance refund the loan.

If the RECIPIENT defeases or advance refunds the loan, it shall be required to use the proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

(i) The Loan Amount with interest

(ii) Any other obligations of the RECIPIENT to ECOLOGY under this agreement, unless in its sole discretion ECOLOGY finds that repayment from those additional sources would not be in the public interest.

Failure to repay the Loan Amount plus interest within the time specified in ECOLOGY's notice to make such repayment shall incur Late Charges and shall be treated as a Loan Default.

7. Refinancing or Early Repayment of the Project. So long as ECOLOGY shall hold this loan, the RECIPIENT shall give ECOLOGY thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the loan.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this agreement, the first semiannual payment of principal and interest on this loan shall be due and payable no later than one year after the project completion date or initiation of operation date, whichever comes first.

Thereafter, equal payments shall be due every six months.

If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment shall be due on the next business day for Washington State agencies.

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Payments shall be mailed to:

Department of Ecology

Cashiering Unit

P.O. Box 47611

Olympia WA 98504-7611

In lieu of mailing payments, electronic fund transfers can be arranged by working with ECOLOGY's Financial Manager.

No change to the amount of the semiannual principal and interest payments shall be made without a mutually signed amendment to this agreement. The RECIPIENT shall continue to make semiannual payments based on this agreement until the amendment is effective, at which time the RECIPIENT's payments shall be made pursuant to the amended agreement.

2. Late Charges. If any amount of the Final Loan Amount or any other amount owed to ECOLOGY pursuant to this agreement remains unpaid after it becomes due and payable, ECOLOGY may assess a late charge. The late charge shall be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.

3. Repayment Limitations. Repayment of the loan is subject to the following additional limitations, among others: those on defeasance, refinancing and advance refunding, termination, and default and recovery of payments.

4. Prepayment of Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the loan or any portion of the remaining unpaid principal balance of the Loan Amount. Any prepayments on the loan shall be applied first to any accrued interest due and then to the outstanding principal balance of the Loan Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT shall first contact ECOLOGY's Revenue/Receivable Manager of the Fiscal Office.

K. Loan Security

Due Regard: For loans secured with a Revenue Obligation: The RECIPIENT shall exercise due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the loan Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, shall be available over and above such Maintenance and Operation Expense and those debt service requirements.

Where collecting adequate gross utility revenue requires connecting additional users, the RECIPIENT shall require the sewer system connections necessary to meet debt obligations and expected operation and maintenance expenses.

Levy and Collection of Taxes (if used to secure the repayment of the loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the loan, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Not an Excess Indebtedness: For loans secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this agreement and the loan to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the loan.

Utility Local Improvement District (ULID) Assessment Collection (if used to secure the repayment of the loan): All ULID Assessments in the ULID shall be paid into the Loan Fund and used to pay the principal of and interest on the loan.

L. Maintenance and Operation of a Funded Utility: The RECIPIENT shall, at all times, maintain and keep the funded Utility in good repair, working order, and condition.

M. Opinion of RECIPIENT's Legal Counsel: The RECIPIENT must submit an "Opinion of Legal Counsel to the RECIPIENT" to ECOLOGY before this agreement will be signed. ECOLOGY will provide the form.

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N. Prevailing Wage (Davis-Bacon Act): The RECIPIENT agrees, by signing this agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out, in whole or in part, with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation). These wage determinations shall be incorporated into solicitations and any subsequent contracts. The RECIPIENT shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and sub contracts in excess of \$2,000. The RECIPIENT shall maintain records sufficient to document compliance with the Davis-Bacon Act, and make such records available for review upon request.

The RECIPIENT also agrees, by signing this agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the project involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and make such records available for review upon request.

O. Progress Reports: RECIPIENTS funded with State Revolving Fund Loan or Forgivable Principal shall include the following verification statement in the “General Comments” text box of each progress report.

“We verify that we are in compliance with all the requirements as outlined in our funding agreement(s) with the Department of Ecology. This includes but is not limited to:

- The Davis-Bacon Act, 29 CFR (If applicable)
- Washington State Prevailing Wage Rate, Chapter 39.12 RCW (Pertaining to all recipients)
- The Disadvantaged Business Enterprise (DBE), 40 CFR, Part 33”

P. Representations and Warranties: The RECIPIENT represents and warrants to ECOLOGY as follows:

Application: Material Information. All information and materials submitted by the RECIPIENT to ECOLOGY in connection with its loan application were, when made, and are, as of the date the RECIPIENT signs this agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the project, the loan, or this agreement known to the RECIPIENT, which has not been disclosed in writing to ECOLOGY.

Existence; Authority. It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian Tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this agreement and to undertake the project identified herein.

Certification. Each payment request shall constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this loan agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the project or to repay the principal of or interest on the loan, have occurred since the date of this loan agreement. Any changes in the RECIPIENT’s financial condition shall be disclosed in writing to ECOLOGY by the RECIPIENT in its request for payment.

Q. Sale or Disposition of Funded Utility: The RECIPIENT shall not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities, or other part of the funded Utility or any real or personal property comprising a part of the funded Utility unless:

1. The facilities or property transferred are not material to the operation of the funded Utility, or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the funded Utility or are no longer necessary, material, or useful to the operation of the funded Utility; or
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the funded Utility; or

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3. The RECIPIENT receives from the transferee an amount equal to an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and loan funds securing such debt) as the Gross Revenue of the funded Utility from the portion of the funded Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.

4. Expressed written agreement by the ECOLOGY-

The proceeds of any transfer under this paragraph must be used (1) to redeem promptly, or irrevocably set aside for the redemption of, Senior Lien Obligations and to redeem promptly the loan, and (2) to provide for part of the cost of additions to and betterments and extensions of the Utility.

R. Sewer-Use Ordinance or Resolution for Funded Wastewater Facility Projects: If not already in existence, the RECIPIENT shall adopt and shall enforce a sewer-use ordinance or resolution. Such ordinance or resolution shall be submitted to ECOLOGY upon request.

The sewer use ordinance must include provisions to:

- 1) Prohibit the introduction of toxic or hazardous wastes into the RECIPIENT's sewer system.
- 2) Prohibit inflow of stormwater into separated sewer systems.
- 3) Require that new sewers and connections be properly designed and constructed.

S. Termination and Default:

Termination and Default Events

1. For Insufficient ECOLOGY or RECIPIENT Funds. ECOLOGY may terminate this loan agreement for insufficient ECOLOGY or RECIPIENT funds.
2. For Failure to Commence Work. ECOLOGY may terminate this loan agreement for failure of the RECIPIENT to commence project work.
3. Past Due Payments. The RECIPIENT shall be in default of its obligations under this loan agreement when any loan repayment becomes 60 days past due.
4. Other Cause. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance in full by the RECIPIENT of all of its obligations under this loan agreement. The RECIPIENT shall be in default of its obligations under this loan agreement if, in the opinion of ECOLOGY, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this loan agreement.

Procedures for Termination. If this loan agreement is terminated prior to project completion, ECOLOGY shall provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the ECOLOGY shall specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the loan and all accrued interest (the "Termination Payment Date").

Termination and Default Remedies

No Further Payments. On and after the Termination Date, or in the event of a default event, ECOLOGY may, at its sole discretion, withdraw the loan and make no further payments under this agreement.

Repayment Demand. In response to an ECOLOGY initiated termination event, or in response to a loan default event, ECOLOGY may at its sole discretion demand that the RECIPIENT repay the outstanding balance of the Loan Amount and all accrued interest.

Interest after Repayment Demand. From the time that ECOLOGY demands repayment of funds, amounts owed by the RECIPIENT to ECOLOGY shall accrue additional interest at the rate of one percent per month, or fraction thereof.

Accelerate Repayments. In the event of a default, ECOLOGY may, in its sole discretion, declare the principal of and interest on the loan immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligation upon the Net Revenue. That is, the loan is not subject to acceleration so long as any Senior Lien Obligations are outstanding.

Repayments not made immediately upon such acceleration will incur Late Charges.

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Late Charges. All amounts due to ECOLOGY and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable, shall incur late charges.

Intercept State Funds. In the event of a default event and in accordance with Chapter 90.50A.060 RCW, "Defaults," any state funds otherwise due to the RECIPIENT may, at ECOLOGY's sole discretion, be withheld and applied to the repayment of the loan.

Property to ECOLOGY. In the event of a default event and at the option of ECOLOGY, any personal property (equipment) acquired under this agreement may, in ECOLOGY's sole discretion, become ECOLOGY's property. In that circumstance, ECOLOGY shall reduce the RECIPIENT's liability to repay money by an amount reflecting the fair value of such property.

Documents and Materials. If this agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT shall, at the option of ECOLOGY, become ECOLOGY property. The RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the RECIPIENT, under this agreement.

Fees and Expenses. In any action to enforce the provisions of this agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) shall be awarded to the prevailing party as that term is defined in Chapter 4.84.330 RCW.

Damages. Notwithstanding ECOLOGY's exercise of any or all of the termination or default remedies provided in this agreement, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and/or the state of Washington because of any breach of this agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

T. User-Charge System for Funded Utilities: The RECIPIENT certifies that it has the legal authority to establish and implement a user-charge system and shall adopt a system of user-charges to assure that each user of the funded utility shall pay its proportionate share of the cost of operation and maintenance, including replacement during the design life of the project. The user-charge system will include provisions for a connection charge.

In addition, the RECIPIENT shall regularly evaluate the user-charge system, at least annually, to ensure the system provides adequate revenues necessary to operate and maintain the funded utility, to establish reserves to pay for replacement, and to repay the loan.

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY

EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

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3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$30,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required Unique Entity Identifier in www.sam.gov <http://www.sam.gov> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov>.

For more details on FFATA requirements, see www.fsrs.gov <http://www.fsrs.gov>.

C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

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1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](#) <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the [System for Award Management \(SAM\)](#) <https://sam.gov/SAM/> exclusion list.

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GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS

For DEPARTMENT OF ECOLOGY GRANTS and LOANS

07/01/2023 Version

1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/2301002.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under the Agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take all reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic archaeological sites, historic buildings/structures, traditional cultural places, sacred sites, or other cultural resources, hereby referred to as Cultural Resources.

The RECIPIENT must agree to hold harmless ECOLOGY in relation to any claim related to Cultural Resources discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
 - Cultural Resource Consultation and Review should be initiated early in the project planning process and must be completed prior to expenditure of Agreement funds as required by applicable State and Federal requirements.

* For state funded construction, demolition, or land acquisitions, comply with Governor Executive Order 21-02, Archaeological and Cultural Resources.

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- For projects with any federal involvement, comply with the National Historic Preservation Act of 1966 (Section 106).
- b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves field activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.
 - Make the IDP readily available to anyone working at the project site.
 - Discuss the IDP with staff, volunteers, and contractors working at the project site.
 - Implement the IDP when Cultural Resources or human remains are found at the project site.
- c) If any Cultural Resources are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
- Immediately stop work and notify the ECOLOGY Program, who will notify the Department of Archaeology and Historic Preservation at (360) 586-3065, any affected Tribe, and the local government.
- d) If any human remains are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, the Department of Archaeology and Historic Preservation at (360) 790-1633, and then the ECOLOGY Program.
- e) Comply with RCW 27.53, RCW 27.44, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting Cultural Resources and human remains.

5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

7. COMPENSATION

- a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.
- b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.
- c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.
- d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.
- e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.
- f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.
- g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.
- h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.
- i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.

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j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this Agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
- b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.
- c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.
- d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review.

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The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at:

<http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

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16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING

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- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.
- e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the Agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

21. PROPERTY RIGHTS

- a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.
- b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.
- c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.
- d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.
- e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
- f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:
 - 1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.
 - 2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.
- g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

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Recipient Name: Port of Port Angeles

22. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

- a) Be kept in a manner which provides an audit trail for all expenditures.
 - b) Be kept in a common file to facilitate audits and inspections.
 - c) Clearly indicate total receipts and expenditures related to this Agreement.
 - d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder.
- RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

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27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

- a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.
- b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit ECOLOGY's web page, Green Purchasing,

<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

28. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.

Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no

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event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the Agreement and any amendments. If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

End of General Terms and Conditions

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

April 8, 2025

**Subject: NEW BATTERY ELECTRIC REACHSTACKER PURCHASE | EPA
CLEAN PORTS GRANT**

**Presenters: Katharine Frazier, Grants & Contracts Manager
Scott Hough, Marine Terminal Manager**

RCW & POLICY REQUIREMENTS

The Port's Delegation of Authority, Section IV, requires Commission approval to purchase any single piece of equipment with a purchase price exceeding \$75,000.00.

BACKGROUND:

In December 2024, the Port was awarded \$9,457,361 in federal funds from the Environmental Protection Agency's Clean Ports Program. The scope of this grant encompasses shore power upgrades and the acquisition of new zero-emission cargo handling equipment, enhancing the Port's capacity to move cargo across its waterfront facilities.

Clean Ports equipment includes:

- 5-ton electric forklift
- 10-ton electric forklift
- 45-ton electric reachstacker
- Cable management units for shore power
- Electric telestacker

The total project cost, including a required 10% non-federal match, is \$10,508,178. To help cover the non-federal match of \$1,050,817, the Port applied for funding from WSDOT's Port Electrification Grant Program and was awarded \$525,408. This means that all components of the Clean Ports project, including equipment purchases, will be 95% grant-funded (90% federal, 5% state funding).

On February 28, 2025, the Port issued a Request for Quotations (RFQ) for a battery electric reachstacker. The RFQ was publicly advertised in the Peninsula Daily News and the Seattle Daily Journal of Commerce with a submission deadline of March 14, 2025.

The RFQ included detailed equipment specifications that the Marine Terminal, Log Yard, and Mechanical Shop teams developed. Additionally, the RFQ outlined the

evaluation criteria, which specifically required compliance with the Build America, Buy America (BABA) requirements to meet standards set by EPA's Clean Ports Program.

ANALYSIS:

One company, Washington Liftruck, Inc., provided a quote in response to the advertised RFQ:

Machine	Model	Price
Reachstacker	Taylor ZRS-9972	\$ 2,137,346.59 + applicable taxes

Port staff confirmed that the quoted equipment meets all grant and operational requirements. Staff conducted a responsibility review of the vendor, Washington Liftruck, Inc., and found that it has been a Seattle-based company since 1973 and that no strikes or debarments have been issued against it.

ENVIRONMENTAL IMPACT:

The new battery-electric reachstacker will significantly reduce emissions in Marine Terminal and Log Yard operations, as it is 100% zero-emissions. Notably, it will reduce the Port's emissions while expanding our capacity to handle increased cargo volumes and types.

FISCAL IMPACT:

The EPA Clean Ports Grant will provide 90% of the funds to purchase the new marine terminal/log yard equipment, including the reachstacker. WSDOT's Port Electrification Grant Program will cover 5% of equipment costs, and the Port will provide the final 5% of funding. Below is a breakdown of the costs for the two pieces of equipment:

Reachstacker - Taylor ZRS-9972	\$ 2,137,346.59
8.9% WSST	\$ 190,223.85
Total	\$ 2,327,570.44

Total costs per funding source are as follows:

EPA Clean Ports (90%)	\$ 2,094,813.40
Port Match (5%)	\$ 116,378.52
WSDOT Port Electrification (5%)	\$ 116,378.52
Total	\$ 2,327,570.44

RECOMMENDED ACTION:

Staff recommend that the Commission authorize the Executive Director to execute a purchase agreement for a Taylor ZRS-9972 Reachstacker with Washington Liftruck, Inc., WA, for an amount not to exceed \$2,327,570.44, and to make any necessary minor adjustments to the agreement.

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

Date: April 08, 2025

SUBJECT: Citizen Air – New Lease and Amendment 1 and Assignment

Presented by: Caleb McMahon, Director of Economic Development

RCW & POLICY REQUIREMENTS

Per RCW 53.08.080 Lease of Property, a district may lease all lands, wharves, docks and real and personal property upon such terms as the port commission deems proper. No lease shall be for a period longer than fifty years with an option up to an additional thirty years.

Per RCW 53.08.085, security for rent is required for every lease of more than one year. Rent may be secured by rental insurance, bond, or other security satisfactory to the Port Commission, in an amount equal to one-sixth the total rent. However, in no case shall such security be less than one year's rent or more than three years' rent. If the security is not maintained, the lease shall be considered in default. The port commission may, in its discretion, waive the rent security requirement or lower the amount of such requirement on the lease of real and/or personal port property.

Per Section I of the Port's Delegation of Administrative Authority to the Executive Director, all term lease agreements or use agreements of real or personal property shall be leased only under an appropriate written lease instrument executed by the Commission. Per Section 1.B.1, Commission Approval is required for any lease with a term in excess of one year, and per Section 1.B.4, Commission approval is required for any lease that contains any material non-standard terms or conditions.

Background:

Citizen Air has been in the process of acquiring Rite Bros. Aviation. As this process comes to a close, Citizen Air would like to receive an assignment of the Rite Bros. Aviation Fixed Base Operator (FBO) lease and a new lease for Fuel Operations.

- A. An Amendment has been drafted to assign the Rite Bros. Aviation Commercial Lease.
- B. A new fuel operations lease has been created for Citizen Air.

A. First Amendment and Assignment of Commercial Lease

Port Area: William Fairchild Airport.

Address: 1402 Fairchild Airport Road, Port Angeles, WA 98363.

Leased Space: 9,704 Square feet, including terminal space and hangars shown in Exhibit A.

Rental Rate: The tenant's current mixed base rent is \$0.32/SF for 9,704 SF of building and hangar space.

Use: The premises shall be used as the business location of Rite Bros. Aviation, Inc., the Fixed Base Operator (FBO) at Fairchild International Airport.

Monthly Payments: Monthly payments of \$3,096

Escalation: The rent will be determined by a fair market appraisal prior to renewals..

Commencement Date: Original Commencement Date was March 1, 2018

Term: Original term of 10 years to expire in 2029.

Options to Renew: Three (3) options to renew the lease for a term of 5 years each.

Fiscal Impact of the Agreement: \$37,152 per year

Common Area Maintenance (CAM): \$300 per month

Utilities: Lessee's responsibility.

Tenant Improvements: None

Financial Security: Waived

Non-standard terms requiring Commission approval for renewal/amendment: None

Unique Terms and Conditions: The amendment includes a Right of First Opportunity Regarding Airplane Hangar Space.

Other Special Considerations: None

Environmental Impact: None

B. Fueling Operations Lease

Port Area: William Fairchild Airport.

Address: 1402 Fairchild Airport Road, Port Angeles, WA 98363.

Leased Space: 11,700 SF of land as shown in Exhibit B.

Rental Rate: The tenant's current mixed base rent is \$0.11/SF for 11,700 SF of land.

Flowage Fee: The Fuel Flowage Fee is \$0.06 per gallon during the initial term. The Fuel Flowage Fee shall be adjusted at the beginning of each five-year Renewal Option term, as outlined in Section 5.6. However, in no case shall the Fuel Flowage Fee be less than \$0.06 per gallon.

Use: Fuel storage, truck parking, and equipment storage, associated with fueling of Aircraft (“**Fueling Operations**”), and no other purpose without the prior written consent of the Port.

Monthly Payments: Monthly payments of \$1,287

Escalation: The rent will be determined by a fair market appraisal prior to renewals..

Commencement Date: April 1, 2025

Term: Approximately 5 years.

Options to Renew: Three (3) options to renew the term of the lease for 5 years each.

Fiscal Impact of the Agreement: \$15,444 per year

Common Area Maintenance (CAM): Any and all costs incurred by the Port with respect to maintenance and upkeep.

Utilities: Lessee's responsibility.

Tenant Improvements: None

Financial Security: \$3,900

Non-standard terms requiring Commission approval for renewal/amendment: None

Unique Terms and Conditions:

1. See Paragraph 4.5.3, which addresses the potential of Port buy-back of Lessee's costs of new fuel dispensing equipment and tanks, if Lessee terminates the Lease after the initial five-year term or at the end of any of the three five-year optional renewal terms.
2. Under a Lease Agreement dated May 1, 2005 (the “Old Lease”), Jeff Well and Theresa Powell are the lessees, and the Port of Port Angeles is the lessor, of certain premises at the Airport. The fixed term of the Old Lease expired some time ago, and the Old Lease is now on a month-to-month term. The month-to-month term of the Old Lease shall be deemed to end on the day prior to the Commencement Date of this Lease.

Other Special Considerations: None

Environmental Impact: None

RECOMMENDED ACTION:

On a motion and second, Staff recommends the Commission authorize the Executive Director to sign the Lease Amendment and Lease Agreement on the behalf of the Port for the Citizen Air organization as Fixed Base Operator.

Exhibit A



Exhibit B

Commercial Lease — Rite Bros. Aviation, Inc.
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COMMERCIAL GROUND LEASE – FUELING OPERATIONS

THIS COMMERCIAL GROUND LEASE Re: Fueling Operations (the “Lease”) is dated for reference as of December 1, 2024, and is entered into by and between the **PORT OF PORT ANGELES**, a Washington municipal corporation (the “Port”), and **FAIRCHILD FUEL LLC**, a Washington limited liability company (“Lessee”) (individually “Party” and collectively “Parties”).

ARTICLE I Summary of Lease Terms and Definitions

The Port: Port of Port Angeles
338 W First St.
Port Angeles, WA 98362

Lessee: Fairchild Fuel LLC
1402 Fairchild Airport Road
Port Angeles, WA 98363

Premises: Approximately 11,700 square feet of land located at Fairchild International Airport (the “**Airport**”), in Port Angeles, Washington as legally described and depicted in the Map of Premises attached to this Lease as **Exhibit A (“Premises”)**.

The Premises consists of four non-contiguous areas as shown on Exhibit A. The “**Fuel Tank Premises**” is approximately 7,500 square feet and is improved as described below. The “**Truck Parking Premises**” consists of three areas of approximately 1500 sf, 600 sf and 2,100 sf respectively.

Improvements: The Fuel Tanks Premises is improved with a concrete pad, one 12,000 gallon above ground jet fuel tank, one 12,000 gallon above ground Avgas Fuel Tank, and associated pipes, pumps, filter, meter, hoses and oil-water separator (collectively, the “**Improvements**” or “**Equipment**”). The Equipment is currently owned by the Port but operated by Lessee. The Truck Parking Premises are improved with asphalt only.

Lessee-owned Improvements: As of the Commencement Date as defined herein, the following fixtures and improvements are owned by Lessee and are not part of this Lease: None currently. The Equipment is likely to reach the end of its useful life or otherwise require replacement during the Term of this Lease. Lessee shall be responsible for the design, construction and costs of replacement Equipment necessary to carry out Lessee’ Authorized Use under this Lease, and following any such replacement, the new equipment will be Lessee-owned Improvements.

Initials:

Port

Lessee

Authorized Use of Premises: Fuel storage, truck parking, and equipment storage, associated with fueling of Aircraft (“**Fueling Operations**”), and no other purpose without the prior written consent of the Port.

Benefit to the Public: Aviation Fueling.

Commencement Date: The Commencement Date of this Lease shall be the date that Rite Bros Aviation Inc. sells or otherwise transfers substantially all of its assets to Lessee and/or affiliates thereof doing business as Citizen Air; if the Commencement Date has not occurred by June 30, 2025, then this Lease shall be of no force or effect whatsoever.

Initial Term: Beginning on the Commencement Date and expiring on December 31, 2029. (Approximately five years). For clarity, a related entity of Lessee, CitizenAir / EpicAir has entered into a FBO Lease as Lessee at Fairchild Airfield with similar term and options for extensions (“**FBO Lease**”). Following Commencement Date of this Lease, the termination of the FBO Lease for any cause will result in the termination of this Lease.

Extensions: Three (3) Extensions each of Five (5) Years.

Base Rent: Base Rent for the first year of the Term shall be \$1,287.00 per month, plus applicable Leasehold Excise Tax (“**LET**”). Base rent for subsequent years will be established as set forth in Section 3.1.2 below.

Fuel Flowage Fee. The Fuel Flowage Fee is \$0.06 per gallon during the initial term. The Fuel Flowage Fee shall be adjusted at the beginning of each five-year Renewal Option term as set forth in Section 5.6, but in no case shall the Fuel Flowage Fee be less than \$0.06 per gallon.

Financial Security (see Section 5.4 for more information): \$3900

Additional Unique Terms and Conditions:

1. See Paragraph 4.5.3 which addresses the potential of Port buy-back of Lessee’s costs of new fuel dispensing equipment and tanks, if Lessee terminates the Lease after the initial five-year term or at the end of any of the three five-year optional renewal terms.
2. Under a Lease Agreement dated May 1, 2005 (the “Old Lease”), Jeff Well and Theresa Powel are the lessees, and the Port of Port Angeles is the lessor, of certain premises at the Airport. The fixed term of the Old Lease expired some time ago, and the Old Lease is now on a month-to-month term. The month-to-month term of the Old Lease shall be deemed to end on the day prior to the Commencement Date of this Lease.

ARTICLE II
Premises, Term, Renewals

2.1 **PREMISES:** In consideration of the rents hereinafter reserved and of the covenants and conditions set forth herein to be performed by Lessee, the Port does hereby lease the Premises to Lessee.

2.2 **TERM:** The initial Lease Term shall begin on the Commencement Date and expire on December 31, 2029. (Approximately five years) (“**Initial Term**”).

2.3 **RENEWAL:** Right to Renew. Lessee has three (3) options to renew the term of the Lease for 5 years each (the “**Renewal Options**”). The Renewal Options are rights under the Lease and do not require any additional approvals or consents from Port (all references in the original Lease to the requirement that the Port approve or consent to the Renewal Options are hereby deleted with exception that Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and Lessee is not in material default under the terms of this Lease (including cross-defaults with other agreements as set forth below) beyond any applicable cure period). The terms and conditions of occupancy shall be the same during the Renewal Option terms, except that the rental rate shall be adjusted as set forth below.

“Material Default” as used in this subsection means a material breach of this Lease Agreement of any of the following Lease provisions (as the same may be amended) that persists after the allowance for any cure period set forth in herein or established by applicable law: Article III. Rent; 4.1 Lessee's Use of The Premises, including 4.1.1 and 4.1.2; 4.3 Construction of Tenant Improvement, including 4.3.1 and 4.3.2; 4.5 Maintenance of Premises and Equipment; 4.6 Utilities And Services; 4.7. Compliance With Port Regulations and With All Laws; Article V, Fuel Operations Requirements; 6.2 Insurance, including 6.2.2 through 6.2.14; 6.5 Financial Security; Article VII, Environmental Compliance; 8.1 Lessee Will Obtain Permits; 8.2 Liens; 8.3 Indemnification and Hold Harmless; 8.4 Laws and Regulations; 8.6 Damage And Destruction; 8.9 Assignment Of Lease; 8.11.1 Early Termination by Port; 8.12 Default; and 8.21 Holding Over.

2.3.1 **Notice of Renewal.** In order to exercise each Renewal Option, Lessee must give written notice of such intention to Port at least one hundred eighty (180) days prior to the expiration of the term or renewal term then in effect.

2.3.2. **Rental Rate For Renewal Periods.** No later than forty-five (45) days prior to the beginning of a Renewal Option, Lessee shall have an MAI appraiser prepare an appraisal of the Fair Market Rental Value (“**FMRV**”) of the Premises under the Lease and deliver a copy of such appraisal to the Port. Unless Port provides written notice of objection to the determination of FMRV under Lessee’s appraisal within ten (10) days after receipt, such determination of FMRV shall become the rental rate under this Lease for the first 12 months of the Renewal Option term and will be adjusted annually by CPI thereafter as provided herein. If Port does provide timely written notice of objection, then Port shall hire its own MAI appraiser to make a determination of FMRV. If the higher of the two determinations by Port and Lessee is within 15% of the lower, then the average of the two determinations shall be the rental rate for the first 12 months of the Renewal Option term and will be annually adjusted by CPI thereafter as provided herein. If the two determinations of FMRV differ by more than 15%, then the two appraisers shall select a third appraiser, who shall make the final determination of FMRV. Each Party shall bear the cost of its own appraiser, and if a third appraiser is necessary, the cost shall be shared equally. Provided however in any event, if that FMVR is less than the Base Rent then in effect, then such existing Base Rent shall not be reduced but shall remain flat for the following five (5) years, together with the annual CPI Increases.

2.4. **NON-EXCLUSIVE RIGHT TO SELL FUEL.** During the Term of this Lease, Lessee shall have the non-exclusive right to sell fuel at the Airport, subject to the terms of this Lease. Nothing herein shall be construed as prohibiting the Port from granting rights to other tenants or vendors, provided the Port itself shall not sell fuel at the Airport provided however the Port retains its authority to sell any type of fuel that Lessee is not currently making available for sale in a commercially reasonable manner as determined by the Port in its commercially reasonable discretion.

ARTICLE III **Rent, Rental Adjustment**

3.1 **RENT:** The term “**Rent**” as used herein includes Base Rent, CAM Expenses (if any), applicable Washington State leasehold excise tax, and other fees and charges assessed herein. Base Rent and Washington State leasehold excise tax shall be paid on the first day of every month without the requirement that the Port provide prior notice or demand, and shall not be subject to any counterclaim, setoff, deduction, defense or abatement. Any other fees and charges which may be assessed by the Port pursuant to the terms of this Lease, the Port shall first provide written notice thereof, and Lessee shall pay such fees and/or charges within thirty (30) days of receipt of such written notice without any counterclaim, setoff, deduction, defense or abatement.

3.1.1 If Lessee fails to pay the Rent when due under Section 3.1 of the Lease herein above, the Port shall charge a late fee as outlined below. First, an administrative fee of \$25 will be charged for Lessee’s late payment. Second, if rent is paid between one and ten days after it is due, a late fee shall be due equal to the greater of \$100 or 5% of total outstanding Rent, leasehold tax (“**LHT**”), utilities and charges due. If rent is not paid more than ten (10) days after due pursuant to Section 3.1 of the Lease herein above, Lessee is subject to the Default provisions pursuant to Lease at Section 8.12 herein below.

3.1.2 **Base Rent Adjustment:** The Base Rent shall be adjusted on the second January 1st to occur after the Commencement date, and on each subsequent January 1st of the Term. The Base Rent rate shall be adjusted effective the 1st day of January to reflect the percentage change in the Consumer Price Index (“**CPI**”) for All Items in West - Size Class B/C, All Urban Consumers, as issued by the U.S. Department of Labor, Bureau of Labor Statistics, from November to November, or the closest comparable index if the above index is no longer published (“**CPI Increase**”). With respect to the renewal terms, the rental rate for the first year of each renewal term shall be established as provided in Section 2.3 above, and rent shall be increased on the second January 1st of the renewal term, and on each subsequent January 1st of the renewal term, as set forth in this Section 3.1.2. Port shall provide notice of the new rent to Tenant no later than December 20th provided however, the Port’s failure to provide, or to timely provide, such notice shall not negate the annual rent adjustment and its commencement date.

3.2 COMMON AREAS

3.2.1 **Common Areas; Definition:** The term “**Common Areas**” shall mean those areas in and around the Premises owned by the Port that are provided and designated by the Port from time-to-time for the general non-exclusive use of the Port, Lessee, other tenants of the Port, and/or the respective employees, suppliers, shippers, customers, clients, invitees and licensees of such

parties. Common Areas may include, but are not limited to, lobbies, hallways, common restrooms, electrical and mechanical areas, supply and janitorial rooms, exterior wall surfaces of the Premises walkways, driveways, parking areas, service areas, landscaped areas, runways, taxiways, aprons, tie-down areas, utility lines and other utility infrastructure outside the Premises, and other Port owned areas provided for the non-exclusive use of its tenants. The Port or its agents shall operate, manage, equip, light, repair, replace and maintain the Common Areas for their intended purpose at such times and in such manner as the Port shall reasonably determine.

3.2.2 Lessee's Common Area Lease Rights: The Port hereby grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, customers, clients and invitees during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time-to-time, subject to any rights, powers and privileges reserved by the Port under the terms hereof or under the terms of any rules, regulations or restrictions governing the use of the Common Areas. Without limiting the foregoing, Lessee is specifically granted a right to those portions of the Common Areas designated for Lessee's fuel trucks and the fueling of aircraft as provided in Section 5.4 herein below. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas, except for the aforementioned designated fuel truck area(s). Any such storage shall be permitted only by prior written consent of the Port or the Port's designated agent, which consent may be revoked at any time. In the event that such unauthorized storage shall occur, then the Port shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be payable on demand by the Port.

3.2.3 Changes to Common Areas: The Port shall have the right from time-to-time to make changes to the Common Areas, including, without limitation: (i) changes in the location, size, shape and number thereof; (ii) to temporarily close any of the Common Areas for maintenance and public purposes so long as reasonable access to the Premises remains available; (iii) to add additional improvements to the Common Areas; and (iv) to use Common Areas while engaged in making additional improvements, repairs or alterations to the Premises or any portion thereof, as the Port may, in the exercise of sound business judgment, deem appropriate. The Port shall nevertheless diligently perform construction, repair or maintenance work to minimize interruptions in the use of Common Areas.

3.2.4 Common Area Maintenance Expenses; Definition: The term "**Common Area Maintenance Expenses**" or "**CAM Expenses**" as used herein shall mean the sum of the costs and expenses incurred by the Port with respect to maintenance, upkeep and repair of and to the Common Areas. Lessee has no duty to pay CAM Expenses under this Lease.

3.3 Omitted.

3.4 **LEASEHOLD AND OTHER TAXES.** Lessee shall be liable for, and shall pay throughout the term of this Lease, all license fees and excise and occupation taxes covering or incurred by the business conducted on the Premises and all taxes on property of Lessee on the Premises, and any taxes on the leasehold interest created by this Lease, whether imposed on Lessee or on the Port. Lessee shall also pay, or reimburse the Port for all taxes, other than any net income

taxes payable by the Port, including ad valorem taxes or taxes levied in lieu of an ad valorem tax or tax on the leasehold interest created by this Lease and/or measured by the rent payments hereunder. With respect to any such taxes payable by the Port which are measured by the rent payments hereunder, Lessee shall pay to the Port with each rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved.

ARTICLE IV
Use of Premises, Condition of Property,
Improvements, Removal of Property, Maintenance, and Utilities

4.1 **LESSEE'S USE OF THE PREMISES:** Lessee shall only conduct Authorized Use (defined in Article 1) on the Premises, and such additional uses incidental or otherwise directly related to such Authorized Use.

4.1.1 Lessee shall be in default under this Lease if it: (i) ceases conducting the Authorized Use for any period of time exceeding one hundred twenty (120) consecutive days; or (ii) conducts any other business or activity on the Premises without first obtaining a validly executed lease modification. In conducting the Authorized Use, Lessee shall properly and fairly serve the public, providing reasonable hours of operation, and reasonably suitable service.

4.1.2 Notwithstanding the foregoing described use, the Premises shall not be used to store, distribute or otherwise handle flammable, dangerous or hazardous materials, excepting only those necessary to conduct the Authorized Use, and subject to the conditions stated herein.

4.2 **ACCEPTANCE OF PREMISES:** Lessee accepts the Premises, including Equipment and all existing improvements thereon, "as is" without further maintenance liability on the part of the Port, except as otherwise specifically noted herein. Lessee is not relying on any representations of the Port as to condition, suitability, zoning restrictions or usability, except the Port's right to grant a lease of the Premises.

4.3 **CONSTRUCTION OF TENANT IMPROVEMENTS AND REPLACEMENT EQUIPMENT:** Lessee shall abide by the following terms with regard to making any tenant improvements on the Premises ("Tenant Improvements") and when installing any replacement Equipment:

4.3.1 Subject to obtaining the Port's written approval, which will not be unreasonably withheld, conditioned or delayed, Lessee may make and install, at its own expense, such Tenant Improvements and undertake installation of the replacement Equipment as described in Section 4.5.2 herein below. as are normal and customary in connection with the Authorized Use set forth herein. Lessee's contractor, if any, shall be subject to the Port's approval, not unreasonably withheld. The Port reserves the right to condition its approval upon Lessee providing payment and/or performance bonds satisfactory to the Port. Lessee shall submit plans to and obtain written approval from the Port before commencing any Tenant Improvements. Lessee is solely responsible for the cost of any permits required for Tenant Improvements for Lessee's activities under this

Lease and for construction of the replacement Equipment and shall ensure that all such permits have been approved by the responsible agency prior to undertaking the covered activities. The Port shall have a reasonable period of time to review such plans prior to issuing a decision. Upon the provision of written notice to Lessee that the Port's review of plans will require extraordinary staff review time, the Port may charge Lessee a reasonable pre-established fee for staff, consultant or attorney time required to review the plans. All Tenant Improvements which are to be designated fixtures shall be so designated by the Port upon the Port's approval of the plans for such improvements. Unless otherwise agreed, all improvements by Lessee shall conform to the requirements of the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq. (the "ADA"). The Port will not require as part of this Lease for improvements related to aircraft fueling to be ADA compatible; Lessee is responsible for complying with Americans with Disabilities Act requirements relating to the Premises or Equipment, if any, imposed by agencies with regulatory authority.

4.3.2 Unauthorized Improvements: Any Tenant Improvements or installation of the replacement Equipment made on the Premises without the Port's prior written consent, or which are not in conformance with the plans submitted to and approved by the Port ("**Unauthorized Improvements**") shall be subject to removal by Lessee upon sixty (60) days' written notice from the Port.

4.4 **TITLE TO TENANT IMPROVEMENTS AND PERSONAL PROPERTY AT END OF LEASE**: Except as otherwise provided in the description of the Premises in Article I above, as of the Commencement Date, all existing structures, buildings, installations, and improvements of any kind located on the Premises are owned by and title thereto is vested in the Port. Prior to the conclusion of the Lease, at the Port's option, Lessee shall remove the following from the Premises:

- a. All Lessee-Owned Equipment;
- b. All personal property;
- c. All Tenant Improvements not designated as fixtures; and
- d. All Lessee Improvements not designated as fixtures in Article I above or pursuant to Section 4.3.1 above.

Initials:

Port

Lessee

4.4.1 If any of the foregoing items are not removed from the Premises by the conclusion of the Lease or when the Port has the right of re-entry, then the Port may, at its sole option, elect any or all of the following remedies:

a. Upon the expiration of thirty (30) days' written notice to Lessee that equipment, personal property and/or Tenant Improvements remaining on the Premises will be removed therefrom, the Port may remove any or all of the items and to dispose of them without liability to Lessee. The Port shall not be required to mitigate its damages, to dispose of the items in a commercially reasonable manner, or to make any effort whatsoever to obtain payment for such items. Lessee agrees to pay the Port's costs and damages associated with Lessee's failure to remove such items, including, but not limited to, the following: storage, demolition, removal, transportation and lost rent (collectively "**Disposal Costs**"); provided, however, that any net proceeds recovered by the Port in excess of its Disposal Costs will be deducted from Lessee's financial obligation set forth herein. Lessee's financial obligations herein shall survive the termination of this Lease.

b. To have the title to any or all of such items revert to the Port.

c. To commence suit against Lessee for damages or for specific performance.

4.4.2 During any period of time employed by Lessee under this Section to remove structures, buildings, installations, improvements, machines, appliances, equipment and trade fixtures, Lessee shall continue to pay rent due and all other fees or expenses due and owing to the Port in accordance with this Lease on a prorated daily basis.

4.4.3 The foregoing remedies are cumulative, and the Port shall not be required to elect its remedies.

4.5 **MAINTENANCE OF PREMISES AND EQUIPMENT:**

4.5.1 Maintenance and Repair. Maintenance and repair of the Premises, Equipment and all improvements thereon are the sole responsibility of Lessee. Without limiting the generality of the foregoing, Lessee shall maintain the Premises and Equipment in good condition including, without limitation, repairing damage caused by Lessee, its employees, agents, contractors, licensees, invitees or anyone on the Premises as a result of Lessee's activities. The Port and Lessee specifically acknowledge and agree that the Port has no responsibility to maintain, repair or replace the Premises or Equipment.

4.5.2 Replacement of Equipment. The Equipment on the Premises as of the Commencement Date is owned by the Port and likely to reach the end of its useful life or otherwise require replacement during the Term of this Lease. Lessee may perform such replacement pursuant to Section 4.3 of this Lease and be responsible for the design, construction, repair and maintenance and all such costs thereof, for the replacement Equipment necessary to carry out Lessee's Authorized Use under this Lease. Any new/replacement Equipment installed by Lessee shall be deemed owned by Lessee. If Lessee has replaced the initial Equipment subsequent to the Commencement Date, then the new Equipment installed by Lessee shall be owned by Lessee.

4.5.3. Equipment at Lease Termination. In the event that Lessee chooses to not renew this Lease as authorized in Paragraph 2.3 here above, at the end of any of the Initial Term or at the end of one of the three (3) Renewal Option terms, or if this Fuel Lease terminates for a reason absent

a default by Lessee, then one of the following shall occur: (1) Lessee shall leave in place all Lessee-owned fuel tanks and pump equipment on the Premises, and Port shall pay to Lessee then current value of such tanks and equipment using Tenant's gross-cost-to- -design, permit and install as the basis, straight line depreciation, and a lifespan of 25 years for tanks and 10 years for other equipment, or (2) Lessee may elect to remove the new Equipment.

4.6 **UTILITIES AND SERVICES:** Lessee shall be liable for and shall pay throughout the term of this Lease all charges for all utility services furnished to the Premises, including but not limited to, light, heat, gas, janitorial services, garbage, disposal, security, electricity, water, stormwater and sewerage, including any connection fees and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by existing ordinance or statute, and as such may be amended in the future. As of the Commencement Date, the only utility services furnished to the Premises are electricity and water. The Lessee will ensure all utility services are transferred to their name upon commencement of this Lease. If the Premises are part of a building or part of any larger Premises to which any utility services are furnished on a consolidated or joint basis, Lessee agrees to pay to the Port Lessee's percentage of the cost of any such utility services based on actual usage. Lessee's percentage use of any such services may be computed by the Port on any reasonable basis, and separate metering or other exact segregation of cost shall not be required. At the conclusion of this Lease, Lessee shall arrange for such utility services to be terminated and for the final bill to be sent to Lessee. Lessee shall be liable for all utility charges that accrue if it fails to so terminate services.

4.7 **COMPLIANCE WITH PORT REGULATIONS AND WITH ALL LAWS:**

4.7.1 Lessee agrees to take reasonable action to comply with all applicable rules and regulations of the Port pertaining to the Premises now in existence or hereafter promulgated for the general safety and convenience of the Port, its various lessees, invitees, licensees and the general public upon receipt of notice of the adoption of such regulations. Such rules and regulations are supplemental to but may not be inconsistent with the terms of this Lease.

4.7.2 Lessee agrees to comply with, and bear the cost of, all applicable federal, state and municipal permitting requirements, laws, ordinances, and regulations, including without limitation those relating to environmental matters, and mitigation measures related thereto to the extent arising out of or caused by Lessee's activities under this Lease. Any fees for any inspection of the Premises during the Lease term by any federal, state or municipal officer related to Lessee use and occupancy of the Premises and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

4.7.3 Lessee shall maintain records documenting that all fuel-dispensing meters and fuel facilities have been calibrated and certified in accordance with the regulations of the Washington Department of Weights and Measures on an annual basis.

4.8 **IF FUELING EQUIPMENT IS INADEQUATE TO MEET DEMAND:**

If Lessee reasonably determines that the then-existing fuel storage and dispensing Equipment on the Premises is inadequate to meet demand for fuel sales at the Airport, and that Lessee therefore wishes to expand its fuel storage and handling capacity, or its Fuel Truck Areas (as that term is defined herein below at Paragraph 5.4) at the Airport, then the Port and Lessee shall proceed as follows: (i) Parties intend this Lease to be amended, subject to Commission approval which will not be unreasonably withheld, to reflect an expansion of the leased Premises to accommodate additional fueling equipment and a pro-rata increase in rent; and (ii) Lessee shall design, permit and install additional fueling equipment and any other necessary improvements on the expanded leased Premises to meet the increased fueling demand, at Lessee's sole cost and expense.

ARTICLE V

Fuel Operation Requirements

5.1 **APPLICABLE RESTRICTIONS.** Lessee's Fueling Operations are expressly limited to the receipt, storage, retail sale, and dispensing of aviation fuel at the Airport. This Lease expressly prohibits Lessee from the storage of aviation fuel that is not owned, or contracted for purchase, by Lessee. Pre-sales of fuel to volume customers, where the fuel pre-sold is not stored or held at the Airport, does not constitute storage, however such pre-sales fuel volumes shall constitute fuel flowage at the time of distribution and will be subject to fuel flowage fees. In case of conflict between this Lease or any applicable regulation, the more restrictive, or protective, provision shall apply.

5.1.1 Additionally, the Port is expressly granted authority under this Lease to add conditions, limitations or terms to this Lease if reasonably necessary to protect the health and safety of the public or Port employees or to prevent endangerment to the environment. The Port will provide Lessee with ninety (90) calendar days' notice of any additional conditions, limitations or terms unless, in the Port's sole determination, a shorter notice period is necessary due to an imminent or substantial endangerment to public health or the environment, in which case the shorter notice period shall apply.

5.2 **FUEL INVENTORY REPORT.** Lessee shall be required to maintain an accounting system, which will adequately account for Lessee's fuel purchases, sales (including pre-sold fuel upon its distribution), and inventory on hand. Lessee shall provide a written report, no later than the 10th day of each month, which reconciles the inventory of fuels stored, sold (including pre-sold fuel upon its distribution), and purchased for the prior month. This report shall be in a form approved by and shall provide a balance between the actual and calculated amount of fuel on hand for the prior month. Any discrepancy in the inventory balance report exceeding 500 gallons (+/-), shall be explained in a written memo to the Port. The Port shall have the right to audit these records at any time.

5.3 **FUEL DISPENSING LOG.** Lessee shall maintain a daily fuel dispensing log ("Dispensing Log") for all fuel pumped. The Dispensing Log shall indicate the amount of all fuel dispensed to aircraft, and the meter totalizer reading at the beginning and end of each transaction.

Lessee shall provide to the Port, not later than the tenth (10th) business day of each month, a summary of the information included in the Dispensing Logs for the previous month.

5.3.1 Fuel Delivery Report. Lessee shall provide to the Port, not later than the tenth (10th) business day of each month, a report summarizing the previous month's fuel delivery documents ("**Delivery Report**"). In support of the Delivery Report, Lessee must maintain copies of the actual certified invoice, bill of lading or delivery certificate for each shipment of fuel received. Lessee shall also provide the Port a fuel delivery record, utilizing a form approved by the Port, which shall include date and time, type of fuel product, measured delivery amount, net invoiced delivery amount, verification of quality controls on fuel prior to acceptance (white bucket test on every compartment to determine color and clarity of product, and verify that no water or particulates are present in sample), verification of vapor recovery used during delivery, stick readings or equivalent method before and after delivery, and signature of person receiving fuel shipment.

5.3.2 Lessee shall also use diligent business efforts to cause Lessee's fuel supplier to provide to the Port a fuel delivery record, utilizing a form approved by the Port, which shall include date and time, type of fuel product, measured delivery amount, net invoiced delivery amount, verification of quality controls on fuel prior to acceptance (white bucket test on every compartment to determine color and clarity of product, and verify that no water or particulates are present in sample), verification of vapor recovery used during delivery, stick readings or equivalent method before and after delivery, and signature of person delivering the fuel shipment.

5.4 **FUEL TRUCK AREA INSPECTIONS AND REPORTS**. Aircraft may be refueled (a) by Lessee via fuel truck, where the aircraft may lie within the airport, or (b) by Lessee or by self-service at Lessee's fixed fuel pumps. The Port shall establish the location of one or more areas at the Airport where Lessee is authorized to store its fuel trucks ("Fuel Truck Areas"), which are generally depicted on **Exhibit B**, attached hereto. The Fuel Truck Areas may be modified upon the request of either Port or Lessee from time to time, provided the parties intend that the Fuel Truck Areas shall be reasonably adequate to store Lessee's fuel trucks and effect the refueling of aircraft that request refueling at the Airport.

5.5 **INSPECTION AND REPAIR REPORTS; DOCUMENT RETENTION; AUDIT**. Lessee shall provide reports regarding repairs to the fueling storage and Fuel Truck Area(s).

5.5.1 Inspections & Inspection Reports. Lessee shall inspect its fuel trucks, Fuel Truck Area and the Premises using the forms, timelines and procedures set forth in the attached **Exhibit C**. These procedures are for Lessee's personnel to use to assure that there are no leaks, spills or contamination resulting from its operation, and that fuel products being used are substantially free of water, and/or contaminants. Any changes to these procedures shall be approved by the Port prior to implementation. Lessee shall maintain a record of all its inspections (the "Inspection Log"), with notations indicating satisfactory and unsatisfactory conditions. A copy of each month's Inspection Log shall be submitted to the Port within ten (10) calendar days after the end of the month (each a "Monthly Inspection Report"); if any deficits were discovered during the month's inspections, the Monthly Inspection Report will indicate what measures were, or will be, taken to remedy those deficits and when. The Port shall have the right to review the Inspection Logs and supporting records at any time.

5.5.2 Repair Reports. A report detailing the repairs performed resulting from the inspection results shall be reported to the Port within ten (10) calendar days of the completion of the repairs. These reports shall detail what repairs were performed, when they were completed, who performed the repairs; and, for all repairs where such information would be helpful and/or is requested by the Port, include a diagram showing the extent of the repairs, what materials were used and the quantities of materials used to effect the repairs. The report shall also verify that the integrity of the pavement surface, if modified, has been restored to a condition that will prevent environmental damage to the sub-soil beneath the fuel storage and Fuel Truck Areas.

5.5.3. Document Retention. **All logs, reports, summaries and other documents referenced in this Article 5 shall be retained by Lessee at Lessee's site at the Airport for no less than six years from the date of creation. All documents supporting any report or summary prepared pursuant to this Article 5 shall likewise be retained by Lessee for six years.** The provisions of this section shall survive the expiration or other termination of this Lease.

5.5.4 Audit and Review. Lessee acknowledges that the Port may audit or review all documents and logs underlying or supporting any report or summary prepared by Lessee pursuant to this Article 5. Further all reports and summaries shall be prepared on forms provided or approved by the Port.

5.6. **FUEL FLOWAGE FEE.** For the privileges afforded pursuant to this Lease, Lessee shall pay to the Port a Fuel Flowage Fee for every gallon of fuel delivered by Lessee to aircraft at the Airport, in an amount as set forth in Article 1 above, subject to adjustment as set forth below. The fuel flowage fee is payable both for fuel delivered to Lessee-owned aircraft and for fuel delivered to third-party owned aircraft.

5.6.1 Fuel Flowage Fee Payment. All monthly Fuel Flowage Fee payments are due no later than the tenth (10th) business day of each month immediately following the month in which the fuel flowage occurs. If payment is late between one to ten 10 days, an amount equal to 5% of the delinquent fuel flowage fee shall be added to the amount due. If payment is late more than ten (10) days after due date pursuant to this Section 5.6.1, Lessee is subject to the Default provisions pursuant to Lease at Section 8.12 herein below. The fees described herein are in addition to, and not a substitute for, all other fees required by ordinance or law.

5.6.2 Fuel Flowage Fee Adjustment. Concurrent with the beginning of each Renewal Option Term (the "Adjustment Date"), the Fuel Flowage Fee shall be adjusted as follows. The Fuel Flowage Fee for the Renewal Option Term shall be equal to 0.085% (0.00085) times the average price charged by Lessee for jet fuel pumped in the 12 months preceding the Adjustment Date, or \$0.06 per gallon, whichever is greater. Within ten (10) days after the Adjustment Date, the parties shall execute a written memorandum documenting the new Fuel Flowage Fee.

5.7 **INSPECTION.** The Port shall have the right to inspect during normal hours of operation the fuel storage facilities and any records pertaining thereto to include verification of fuel quantities. The Port shall have the right at any time, with prior notice, to enter and conduct testing on equipment to verify the condition of the equipment. The Port shall have the right at any time, with prior notice, to conduct testing to determine the existence of contamination on the property.

Such inspections may include any or all of the assessment measures set forth in Exhibit C. Should such testing indicate contamination in violation of applicable regulatory limits, caused by Lessee, or caused by faulty Equipment, Lessee shall reimburse the Port for such tests, provided such tests do not merely duplicate the information obtained in tests performed by Lessee and that such tests are not manifestly unreasonable in scope. Any contamination discovered pursuant to the investigation set forth herein shall be addressed as set forth in Section 5.10 below.

5.8 **EMERGENCY ACTION PLAN.** Lessee's Emergency Action Plan is attached as **Exhibit D** to this Lease, outlining the activities to be undertaken in the event of a spill or emergency involving Lessee's fueling operation ("**EA Plan**"). The EA Plan shall be reviewed and if appropriate updated, April 30 of each year that this Lease is effective or upon the event of changes to the conditions stated in the EA Plan, and a copy provided to the Port. Lessee's operations consistent with the approved EA Plan is an express condition to the Fueling Operations pursuant to this License. Upon the request of the Port, any amendment or change to the EA Plan shall replace the prior plan as an amended **Exhibit D** and become part of this Lease. Lessee shall notify the Port of any release or spill event in accordance with Section 5.10 herein.

5.9 **FUELING LOCATION.** Lessee shall only undertake Fueling Operations to and from Lessee's fuel truck at the area specifically identified for that purpose in **Exhibit B** or while refueling aircraft where they lie within the Airport. Lessee must comply with all current and future applicable requirements, permits and licenses as provided under local, state or federal codes, statutes or regulations regarding Fueling Operations, or as required by the Port.

5.10 **ENVIRONMENTAL COMPLIANCE; SPILL REPORTING.** Lessee shall, at Lessee's own expense, comply with all present and hereinafter enacted Federal, state and local environmental laws, regulations and requirements applicable to Lessee's Fueling Operation hereunder. In the event Lessee has a release or suspected release which requires reporting to Ecology and or EPA, Lessee shall be required to submit a report to Ecology and to submit a duplicate report to the Port within one (1) hour of discovery of the incident, or as soon thereafter as reasonably practicable. In the event Lessee has a leak, release or spill which exceeds one gallon Lessee shall notify the Port within one (1) hour of discovery of the incident, or as soon thereafter as reasonably practicable. This includes fuel spilled or released during the filling of Lessee's fuel storage tanks or truck. Lessee shall provide the Port with a written report detailing any spill or release incident and all actions taken to mitigate the release within twenty-four (24) hours of said incident. Lessee shall promptly provide the Port with copies of all correspondence between Lessee and the Washington State Department of Ecology ("Ecology") and/or the federal Environmental Protection Agency ("EPA"), or any other regulatory agencies with jurisdiction over Lessee's operations hereunder. Lessee shall also provide the Port with all testing and monitoring data performed on the storage/dispensing facility.

5.10.1 **Environmental Records.** Upon the Port's request, Lessee shall provide the Port all records in Lessee's possession or control related to soils or groundwater contamination on or in the vicinity of the Premises. Should this or other data identify environmental contamination of the Premises, the Port may require Lessee to investigate and to remediate the contamination unless contamination was not caused by Lessee. Additionally, should the state or federal government require Lessee to investigate or remediate environmental contamination, the Port shall have the

right, but not the obligation to become a party to such proceedings, and if not a party, Lessee shall provide a copy to the Port of all documentation related thereto and the Port shall have the right to require remediation and investigation of the Premises beyond that required by regulatory agencies in the Port's sole discretion, provided that the Port's requirements are bounded by applicable regulatory standards. Lessee agrees to these Port rights and agrees to comply with such requirements. The provisions of this section shall survive the expiration or other termination of this Lease.

5.11 **STORAGE FACILITIES.** Lessee shall only utilize fuel storage in the area(s) specifically identified for that purpose in **Exhibit B**. Lessee must comply with all current and future applicable requirements, permits and licenses as provided under local, state or federal codes, statutes or regulations regarding storage tanks. These requirements shall include NFPA 407 and any further requirements as prescribed by any regulatory agency with jurisdiction or the Port.

5.11.1. **Storage Alterations.** Lessee shall make no material alterations, modifications, or additions to the storage facilities or any component of Lessee's fuel storage/dispensing system without obtaining the prior written approval of the Port, which will not be unreasonably withheld, conditioned or delayed. Lessee shall not remove any storage tank or change any component of Lessee's fuel storage/dispensing system without obtaining the prior written approval of the Port and complying with the closure requirements of Section 5.13.

5.12. **PERMITS.** Lessee shall be required to obtain, and comply with any, and all required permits including but not limited to an Air Quality Permit issued by Clallam County, and a City of Port Angeles Fire Department Permit for Storing, Handling, and Dispensing fuel. Lessee has the responsibility to determine and obtain what permits are required for the fuel operation described in this Lease.

5.12.1 **Owner/Operator.** Lessee shall be designated as the owner and operator of the fuel storage and dispensing facility on all regulatory forms, provided the Port shall be identified as the owner of the property upon which the facility is located.

5.13 **FUEL TANK BASELINE AND CLOSURE TESTING.**

5.13.1 **General.** The Fuel Tank Premises have a trench drain that leads to an oil water separator, which in turn discharges to an infiltration trench (the outflow to the infiltration trench is the "**Discharge Point**").

5.13.2 **Baseline Testing.**

- a. **Discharge Point.** On October 29, 2024, Lessee obtained a test for contamination at the Discharge point, as reported in: Fairchild Fuel Tanks Environmental Soil Sampling, Analysis, and Reporting Report for 1402 Fairchild Airport Road Port Angeles, WA, GeoTest Project No. 00-243476-0 dated December 9, 2024 ("**Sampling Report**"), a copy of which is attached at **EXHIBIT E**.

b. Fuel Tanks. Within ninety (90) days after Lease Commencement Date, Lessee will commission a baseline condition inspection of the tanks and piping, conducted in accordance with the Steel Tank Institute Standard for the Inspection of Above Ground Storage Tanks (STI SPOO1). This external and internal inspection will be performed by a certified inspector.

5.13.2 Cessation of Use. If Lessee ceases using the Fuel Tank Premises to actively store and discharge fuel, then:

a. Lessee shall remove fuel from the Fuel Tanks, or at the sole discretion of the Port, convey such fuel to the Port or its designee.

b. Within thirty (30) days after Lessee's cessation of use, the Lessee shall test the soil for the reported analytes listed in Table 1 of the Sampling Report, at the same sample locations as depicted in the Sampling Report and provide copies of the results to the Port (Port shall not authorize another party to use the Fuel Tank Premises until the earlier of consummation of Lessee's testing, or the end of such 30-day period). If Lessee's tests indicate contamination (unless the contamination was not caused by Lessee), in excess of the Baseline Contamination Level (such excess being the "**Lessee Caused Contamination**"), then Lessee shall remediate the Lessee Caused Contamination to the applicable cleanup standard.

5.13.3 Survival. The provisions of this section shall survive the expiration or other termination of this Lease.

ARTICLE VI

Insurance and Financial Security

6.1 **CASUALTY LOSS OF LESSEE:** The Parties hereto agree that the Port shall not be responsible to Lessee for any property loss or damage done to Lessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall be Lessee's responsibility to provide its own protection against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Port, Lessee, third party, or act of nature.

PROVIDED, HOWEVER, the aforesaid release of the Port by Lessee is inapplicable to the extent injury or damage is caused by the gross negligence or intentional misconduct of Port or Port's employees, contractors or agents.

6.2 **INSURANCE:**

6.2.1 **Lessee Property Insurance.** At all times during the term of this Lease, Lessee shall maintain in effect on Lessee-owned improvements and Equipment fire and extended coverage property insurance for physical loss and damage *excluding* earthquake and flood insurance. Such policy or policies shall be written in the form of replacement cost insurance in

an amount not less than 100% of the full replacement cost of Lessee's improvements and Equipment thereon, which amount shall be adjusted not less frequently than annually.

6.2.2 **Port Property Insurance.** At all times during the term of this Lease, Lessee shall maintain in effect for Port-owned fixtures, and Equipment fire and extended coverage property insurance for physical loss and damage *excluding* earthquake and flood insurance. Such policy or policies shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement cost of the Port-owned fixtures and Equipment, which amount shall be adjusted not less frequently than annually, with the Port named as a loss payee. The proceeds of such insurance in case of loss or damage shall be first applied to replace the Port-owned damaged fixtures or Equipment. Lessee shall also procure and maintain during the term of this Lease and any extensions or renewals of this Lease business interruption insurance by which Rent will be paid to the Port for a period of up to one (1) year if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of fire and extended coverage property insurance, with vandalism and malicious mischief endorsements.

6.2.3 **Workers' Compensation; Employer's Liability/Stop Gap:** If Lessee has employees, Lessee shall obtain, at Lessee's expense, and keep in effect during the term of this Lease and any renewals or extensions of this Lease, Workers' Compensation as required by the State of Washington, with statutory limits. Lessee shall carry Employer's Liability/Stop Gap Insurance with limits of not less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease if, in the future, the insurance industry makes it routinely available with the Airport General Liability Policy.

6.2.4 **Pollution Legal Liability and Remediation:** Lessee shall procure and maintain during the term of this Lease and any extensions or renewals of this Lease, Pollution Legal Liability and Remediation insurance for Lessee's fuel tank and fuel truck operations, with a limit of no less than \$2,000,000 per claim or occurrence and \$4,000,000 aggregate per policy period of one year. This policy shall include coverage for bodily injury, property damage, personal injury and environmental site restoration, including fines and penalties in accordance with applicable EPA or state regulations. Lessee shall maintain this coverage for a minimum of one year after the expiration or earlier termination of this Lease.

6.2.5 **Airport General Liability:** Lessee shall procure and maintain during the term of this Lease Airport General Liability Insurance on an occurrence basis. This insurance shall include personal injury and property damage liability coverage, contractual liability coverage for all indemnities provided under this Lease, and fuel storage and self-fueling operations liability. Limit per occurrence shall not be less than \$5,000,000. The general aggregate limit shall not be less than \$7,000,000.

6.2.6. **Automobile Liability:** Lessee shall procure and maintain an Automobile Liability policy covering all owned, not-owned and hired automobiles that are not covered under the Airport General Liability policy. The limits of liability shall be not less than \$1,000,000.00. The foregoing insurance policy shall name the Port as an additional insured.

6.2.7 **Excess Liability/Umbrella Coverage:** Lessee may achieve the policy limits set forth above through either a single policy, or by aggregating the limits of an underlying policy with one or more Umbrella or excess coverage policies.

6.2.8 **Verification of Coverage:** For each insurance policy required herein, Lessee shall provide to the Port, prior to Lessee's occupancy of the Premises, original certificates of insurance, all required amendatory endorsements establishing coverage required under this Lease, a copy of each policy declarations and endorsements page, and complete copies of each policy. Provided, the Port's failure to obtain the required documents prior to Lessee's occupancy shall not be deemed a waiver of Lessee's obligation to provide them. Receipt of such certificate or policy by the Port does not constitute approval by the Port of the terms of such policy.

6.2.9 **Additional Insured; Primary Coverage; Non-Contributory:** Each liability insurance policy required herein shall name the Port as an additional insured and shall provide that it is primary and non-contributory with respect to insurance, or self-insurance maintained by the Port.

6.2.10 **Changes in Coverage Requirements:** The Port reserves the right to reasonably modify any insurance requirements set forth herein, including limits, at the same time as revaluation of the annual Rent, as a condition of approval of assignment or sublease of this Lease, upon any breach of the environmental liability provision herein, upon a material change in the condition of any improvements, upon a change in the Authorized Use, or under other special circumstances as reasonably determined by the Port. Lessee shall obtain new or modified insurance coverage within thirty (30) days after changes are required by the Port, or as soon thereafter as may be reasonably possible under then-current insurance industry characteristics.

6.2.11 **Substitute Coverage:** If Lessee fails to procure and maintain any insurance required herein, the Port shall have the right, but not the obligation, to procure and maintain substitute insurance and to pay the premiums, chargeable to Lessee. Lessee shall pay to the Port upon demand the full amount paid by the Port.

6.2.12 **Negligence of Lessee:** No insurance policy required herein shall be endorsed to reduce the amount of insurance proceeds otherwise payable thereunder, on the basis that Lessee acted negligently.

6.2.13 **Self-Insured Retentions:** If Lessee is self-insured, self-insured retentions must be declared to and approved by the Port. At the Port's option, either (i) Lessee shall obtain coverage to reduce or eliminate such self-insured retentions as respects the Port; or (ii) Lessee shall provide a financial guarantee satisfactory to the Port guaranteeing payment of losses and related investigation, claim administration and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the Port.

6.2.14 **Acceptability of Insurers:** All insurance required herein shall be placed with insurers authorized to conduct business in the state of Washington with a current A.M. Best's rating of no less than A-VII, unless otherwise specifically authorized by the Port.

6.2.15 **Notice of Cancellation**: Each insurance policy required herein shall expressly provide that coverage shall not be canceled or changed except with prior written notice to the Port of no less than thirty (30) days. Lessee shall provide the Port with any revised endorsements, policy declarations and endorsements pages, and policies as soon as practicable after any changes are made to any policy.

6.3 Omitted.

6.4 **WAIVER OF SUBROGATION**: The Port and Lessee hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts including any extended coverage endorsements thereto provided that this paragraph shall be inapplicable to the extent it would have the effect of invalidating any insurance coverage of the Port or Lessee. Each party agrees to cause their respective insurance carriers to include in its policies a waiver of subrogation clause or endorsement.

6.5 **FINANCIAL SECURITY**:

6.5.1 In compliance with the requirements of RCW 53.08.085 (as presently codified or hereafter amended) and other laws of the State of Washington, Lessee agrees it will secure its performance of the rental portion of this Lease by procuring and maintaining, during the term of this Lease, a corporate surety bond, or by providing other financial security satisfactory to the Port (the “**Bond**”), in an amount totaling \$3900.00

6.5.2 The Bond shall be in a form and issued by a surety company acceptable to the Port and shall comply with the requirements of Washington law. Lessee shall obtain such Bond and forward evidence thereof to the Port within thirty (30) days of execution of this Lease, but in no event later than the Commencement Date of this Lease. Failure to comply with this requirement shall be grounds for termination of this Lease without notice by the Port. Such Bond shall be kept always in effect during the term of this Lease. Failure to comply with this requirement shall render Lessee in default. The Bond shall be increased annually to reflect any adjustments in annual Rent. No future amendment or extension to this Lease shall be effective until the Port, surety or insurer has given its consent thereto and the amount of the Bond has been adjusted as required.

6.5.3 Upon any default by Lessee in its obligations under this Lease and Lessee’s failure to cure such default in accordance with its rights to do so under this Lease, the Port may collect on the Bond to offset the liability of Lessee to the Port. Collection on the Bond shall not relieve Lessee of liability for any amounts not offset by the amount collected under the Bond, shall not limit any of the Port’s other remedies, and shall not reinstate or cure the default or prevent termination of the Lease because of the default.

6.5.4 Any Bond may provide for termination on the anniversary date thereof upon not less than one (1) year's written notice to the Port if the Lease is not in default at the time of said notice. In the event of any such termination, Lessee shall obtain a new Bond or other security, also subject to the Port approval, to replace the security being so terminated to be effective on or before the date of termination.

6.5.5 If the Port Commission exercises its discretion pursuant to RCW 53.08.085 to reduce or waive Lessee's Bond requirement under this Lease, the Port may at any time make a determination that changes in the material circumstances related to Lessee no longer support such reduction or waiver and thereafter increase Lessee's Bond requirement up to that required by RCW 53.08.085.

ARTICLE VII

Environmental Liability

7.1 **ENVIRONMENTAL INDEMNIFICATION:** Lessee shall defend (with legal counsel suitable to the Port), indemnify and hold the Port harmless from any and all claims, demands, judgments, orders or damages resulting from Hazardous Substances on the Premises caused in whole or in part by the activity of Lessee, its agents, or subtenants during any period of time that Lessee has occupied all or a portion of the Premises during the term of this Lease or any previous lease or agreement. The term "Hazardous Substances" as used herein shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sec. 1257 et seq.; the Clean Air Act, 42 USC Sec. 2001 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 USC Sec. 9601 et seq.; or the Hazardous Waste Cleanup-Model Toxic Control Act, RCW 70.105D, all as amended and subject to all regulations promulgated there under.

7.1.1 Lessee's defense and indemnity obligations under this article are unconditional, shall not be discharged or satisfied by the Port's re-entry of the Premises or exercise of any other remedy for Lessee's default under this Lease, shall continue in effect after any assignment or sublease of this Lease, and shall continue in effect after the expiration or earlier termination of this Lease.

7.1.2 Although Lessee shall not be liable for any Hazardous Substances that existed on the Premises prior to commencement of its leasehold relationship with the Port (whether by this Lease or any prior lease agreements), Lessee shall be responsible for the costs of any environmental investigations or remediation arising from any development or use of the Premises by Lessee, and Lessee hereby releases the Port from any contribution claim for those costs. By way of example only, if Lessee excavates soil on the Premises which contains Hazardous Substances, then Lessee will be responsible for the cost associated with disposing of those disturbed soils. By way of the same example, if Lessee's soil excavation discloses the existence of Hazardous Substances in the soil of the Premises that had been there prior to the commencement of Lessee's leasehold relationship with the Port, and if applicable law requires abatement of such Hazardous Substances in the soil, then Lessee is responsible for disposal of the soil it removed as aforesaid, but Lessee is not otherwise responsible for the cost of abating the Hazardous Substances in the soil.

7.2 **CURRENT CONDITIONS AND DUTY OF LESSEE:** The Port makes no representation about the condition of the Premises. Hazardous Substances may exist in, on, under or above the Premises. Lessee should, but is not required to, conduct environmental assessments

or investigations of the Premises prior to or during this Lease to determine the existence, scope and location of any Hazardous Substances. If there are any Hazardous Substances in, on, under or above the Premises as of the Commencement Date that Lessee has knowledge of, Lessee shall exercise the utmost care with respect to the Hazardous Substances, the foreseeable acts or omissions of third parties affecting the Hazardous Substances, and the foreseeable consequences of those acts or omissions.

7.2.1 Prior to conducting any environmental investigation of the subsurface of the Premises, Lessee shall provide prior written notice to the Port. Lessee shall provide the Port with the results of all such investigations.

7.3 **NOTIFICATION AND REPORTING**: Lessee shall immediately notify the Port if Lessee becomes aware of any of the following:

a. A release or threatened release of Hazardous Substances in, on under or above the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises;

b. Any problem or liability related to or derived from the presence of any Hazardous Substance in, on, under or above the Premises, any adjoining property or any other property subject to use by Lessee in conjunction with its use of the Premises;

c. Any actual or alleged violation of any federal, state or local statute, ordinance, rule, regulation or other law pertaining to Hazardous Substances with respect to the Premises, any adjoining property, or any other property subject to use by Lessee in conjunction with its use of the Premises; or

d. Any lien or action with respect to any of the foregoing.

7.3.1 Lessee shall, at the Port's request, provide the Port with copies of any and all reports, studies or audits which pertain to environmental issues or concerns and to the Premises, and which are or were prepared by or for Lessee and submitted to any federal, state or local authorities pursuant to any federal, state or local permit, Lease or law. These permits include, but are not limited to, any National Pollution Discharge and Elimination System permit, any Army Corps of Engineers permit, any State Hydraulics permit, any State Water Quality certification, or any Substantial Development permit.

7.3.2 Upon expiration or sooner termination of this Lease, Lessee shall remove from the Premises any soils or other media impacted by Hazardous Substances where such materials were deposited on the Premises by Lessee or its employees, representatives or agents. Any failure to complete such removal by the expiration or sooner termination of this Lease, and upon the expiration of thirty (30) days' notice that such materials remain on the Premises, Lessee shall be deemed a holding over by Lessee subject to the provision of Section 7.21 (HOLDING OVER). Lessee shall represent and warrant that, upon termination of the Lease, all Hazardous Substances that Lessee is required to remove from the Premises pursuant to this subsection have been removed from the Premises.

ARTICLE VIII
Miscellaneous Provisions

8.1 **LESSEE WILL OBTAIN PERMITS:** Lessee agrees to obtain and comply with all necessary permits for any Authorized Use or leasehold improvement. If Lessee fails to obtain and comply with such permits, then Lessee accepts full responsibility for any and all resulting costs incurred by the Port, including actual attorneys' fees. In this way, Lessee agrees to be solely responsible for all damages, costs and expenses incurred as a result of Lessee's failure to fully comply with any necessary permit process and requirements.

8.2 **LIENS:** Lessee agrees to keep the Premises free and clear of all liens and charges whatsoever. Lessee shall not allow any mechanics' and materialmen's or other liens to be placed upon the Premises. If such a lien is placed or recorded, Lessee shall cause it to be discharged of record, or bonded over as may be allowed by applicable law, in a form acceptable to Port Legal Counsel, at its own expense, within thirty (30) days of the Port's demand. Failure to comply with the Port's demand within thirty (30) days shall be a default under the terms of this Lease. Notwithstanding the foregoing, the Port acknowledges that Lessee may use its Tenant Improvements as security for a loan, and the Port agrees to reasonably cooperate with Lessee and its creditor(s) to allow such creditor(s) to obtain such security. PROVIDED, HOWEVER, the foregoing does not prohibit a vendor's lien in the ordinary course attaching to fuel stored within the tanks located on the Premises which Lessee shall cause to be discharged of record prior to Lease termination.

8.3 **INDEMNIFICATION AND HOLD HARMLESS:** The Port, its employees and/or agents shall not be liable for any injury (including death) to any persons or for damage to any property regardless of how such injury or damage be caused, sustained or alleged to have been sustained by Lessee or by others as a result of any condition (including existing or future defects in the Premises) or occurrence whatsoever related in any way to the Premises and the areas adjacent thereto or related in any way to Lessee's use or occupancy of the Premises and of the areas adjacent thereto. Lessee agrees to defend and to hold and save the Port (including its commissioners, employees and/or agents) harmless from all liability or expense (including attorneys' fees, costs and all other expenses of litigation) in connection with any such items of actual or alleged injury or damage. Lessee specifically agrees that any bond or other security provided pursuant to any provisions of this Lease shall extend to the indemnity agreed to herein. Lessee acknowledges that it expressly and specifically waives immunity under the industrial insurance statute of the state of Washington, Title 51 RCW, for purposes of this indemnification provision and further acknowledges that this waiver was mutually negotiated by the Parties.

PROVIDED, HOWEVER, the aforesaid release of the Port by Lessee is inapplicable to the extent injury or damage is caused by the gross negligence or intentional misconduct of Port or Port's employees, contractors or agents.

8.4 **LAWS AND REGULATIONS:** Lessee agrees to conform to and abide by all applicable rules, codes, laws, regulations and Port policies in connection with its use of the Premises and the construction of improvements and operation of Lessee's business thereon and not to permit said

Premises to be used in violation of any applicable rule, code, law, regulation, Port policy, or other authority.

8.4.1 Lessee's obligations herein shall include, but in no way be limited to, the obligation to comply with all State and Federal environmental laws and regulations.

8.5 **WASTE AND REFUSE**: Lessee agrees not to allow conditions of waste and refuse to exist on the Premises and to keep the Premises in a neat, clean and orderly condition and to be responsible for all damages caused to the Premises by Lessee, its agents, or any third party on the Premises.

8.6 **DAMAGE AND DESTRUCTION**:

8.6.1 Except as otherwise stated herein, should the Premises or Equipment be partially damaged by fire or other casualty, or rendered partially unfit for use by reason of fire or other casualty, the Premises shall be repaired with due diligence by the Port, and in the meantime the Rent (as defined in Section 3.1 above) shall be abated in the same proportion that the untenable portion of the Premises bears to the whole thereof, for the period from the occurrence of the damage to the completion of the repairs. Lessee shall cooperate fully in obtaining and making available proceeds of insurance provided by Lessee in furtherance of such repairs.

8.6.2. If any building or improvement erected by Lessee on the Premises, or any Equipment or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Lessee may, at its option and at its sole cost and expense, repair or restore the same according to the original plans thereof or according to such modified plans as shall be previously approved in writing by the Port. Lessee shall provide the Port notice of its intention to repair or restore the Premises within sixty (60) days after the damage or loss occurs. Such work of repair or restoration shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be completed with due diligence but not longer than one (1) year, if possible, or as soon thereafter as is reasonably possible after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the Premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration, or if Lessee elects not to repair or restore, to the cost of removing, demolishing, or clearing off the building or improvements. If (i) there are not insurance proceeds, or (ii) the same shall be insufficient for said purpose, Lessee shall make up the deficiency out of its own funds. Should Lessee fail or refuse to make the repair, restoration or removal as hereinabove provided, then in such event said failure or refusal shall constitute a default under the covenants and conditions hereof, and all insurance proceeds so collected shall be forthwith paid over to and be retained by the Port on its own account, and the Port may, but shall not be required to, sue and apply the same for and to the repair, restoration or removal of said improvements, and the Port may, at its option, terminate this Lease as elsewhere provided herein.

8.6.3 Except as otherwise stated herein, should the Premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the Premises are rendered wholly unfit for their accustomed uses, the Port shall have the option to terminate this Lease on

thirty (30) days' notice, effective as of any date not more than thirty (30) days after the occurrence. In the event that this Section shall become applicable, the Port shall advise Lessee within thirty (30) days after the happening of any such damage whether the Port has elected to continue the Lease in effect or to terminate it. If the Port shall elect to continue this Lease, it shall commence and prosecute with due diligence any work necessary to restore or repair the Premises. If the Port shall fail to notify Lessee of its election within said thirty (30) day period, the Port shall be deemed to have elected to terminate this Lease, and the Lease shall automatically terminate thirty (30) days after the occurrence of the damage. For the period from the occurrence of the damage to the Premises as described in this Section to the date of completion of the repairs to the Premises (or to the date of termination of the Lease if the Port shall elect not to restore the Premises), Rent due hereunder shall be abated in the same proportion as the untenable portion of the Premises bears to the whole thereof.

8.7 **SIGNS**: Lessee may place in or upon the Premises only such signs as are related to the Authorized Use of the Premises, PROVIDED that Lessee shall first obtain Port's written consent as to size, location, materials, method of attachment, and appearance. Lessee shall install any approved signs at Lessee's sole expense and in compliance with all applicable laws, ordinances, rules and regulations. Lessee shall not damage or deface the Premises in installing or removing signs and shall repair any damage to the Premises caused by such installation or removal.

8.8 **ATTORNEYS' FEES AND COURT COSTS**: In any litigation, arbitration, or other proceeding by which one Party either seeks to enforce its rights under this Lease (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Lease, the prevailing Party shall be awarded its reasonable attorney fees, and costs and expenses incurred.

8.9 **ASSIGNMENT OF LEASE**: Lessee shall not assign, rent or sublease any portions of this Lease or any extension thereof, without the prior written consent of the Port, which consent shall not be unreasonably withheld, and no rights hereunder in or to said Premises shall pass by operation of law or other judicial process, or through insolvency proceedings. Otherwise, the rights and obligations hereof shall extend to and be binding upon their respective successors, representatives and assigns, as the case may be. Lessee shall furnish the Port with copies of all such proposed assignment, sublease or rental documents. For the purposes of this Lease, any change of ownership including sale, liquidation or other disposition of some or all of the corporate stock or limited liability company units will be considered an assignment. Should the Port consent to an assignment made by Lessee for the purposes of obtaining a loan or other consideration from a third party, then the Port's consent shall be made in accordance with the consent to assignment document used by the Port for these specific assignments. A copy of this consent form shall be provided by the Port upon request of Lessee.

8.9.1 If the Port refuses to consent to an assignment, Lessee's sole remedy shall be the right to bring a declaratory action to determine whether the Port was entitled to refuse such assignment under the terms of this Lease.

8.9.2 No consent by the Port to any assignment or sublease shall be a waiver of the requirement to obtain such consent with respect to any other or later assignment or sublease. Acceptance of Rent or other performance by the Port following an assignment or sublease, whether

or not the Port has knowledge of such assignment or sublease, shall not constitute consent to the same nor a waiver of the requirement to obtain consent to the same.

8.9.3 A minimum handling and transfer fee (“**Transfer Fee Deposit**”) of Three Hundred Dollars (\$300.00) shall be payable by Lessee to the Port if Lessee requests the Port’s consent to a proposed assignment (including an assignment to a creditor for security purposes), sublease or modification of this Lease. The Port reserves the right to increase the Transfer Fee Deposit up to Five Hundred Dollars (\$500.00) if, in the Port’s sole judgment, the transaction will necessitate the expenditure of substantial time and expense on the part of the Port. Such Transfer Fee Deposit shall be submitted to the Port at the same time that Lessee requests the Port’s consent to the proposed sublease, assignment or modification. If the Port’s reasonable and customary attorneys’ fees exceed the Transfer Fee Deposit, then Lessee agrees to reimburse the Port for such additional reasonable and customary attorneys’ fees. Lessee’s failure to remit this additional amount within sixty (60) days of the mailing of the notice of such charges, shall constitute a default under this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse the Port in any case where an assignment, sublease or modification is not accomplished due to total refusal on the part of the Port to grant its consent to the request.

8.9.4 If, pursuant to any assignment or sublease, Lessee receives rent, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or in the case of a sublease, a portion of the Premises in excess of such Rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are appropriately taken into account, Lessee shall pay to the Port, as additional rent expenses hereunder, fifty percent (50%) of the excess of each such payment of Rent received by Lessee after its receipt.

8.9.5 If this Lease is assigned, or if the underlying beneficial interest of Lessee is transferred, or if the Premises or any part thereof is sublet to or occupied by anybody other than Lessee, the Port may collect Rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

8.9.6 Notwithstanding any assignment or sublease, or any indulgences, waivers or extensions of time granted by the Port to any assignee or sublessee or failure of the Port to take action against any assignee or sublease, Lessee hereby agrees that the Port may, at its option, and upon not less than three (3) days' notice to Lessee, proceed against Lessee without having taken action against or joined such assignee or sublessee, except that Lessee shall have the benefit of any indulgences, waivers and extensions of time granted to any such assignee or sublessee.

8.10 **REIMBURSEMENT FOR EXPENSES**: Should Lessee seek to assign this Lease to any creditor as security for a loan or forbearance from such creditor, or attempt to otherwise assign, sublease, or modify this Lease between the Parties during the term of this Lease or any renewal thereof, then Lessee agrees to reimburse the Port for all customary and reasonable attorney fees paid by the Port for the review and opinion of such attorney acting on the request. A failure to reimburse the Port within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease. Notwithstanding anything to the contrary herein, Lessee shall not be obligated to reimburse the Port in any case where an assignment, sublease, or modification is not accomplished due to total refusal on the part of the Port to grant its consent to the request.

8.11 **TERMINATION**: Upon expiration or sooner termination of this Lease or any extension thereof, whether by expiration of the stated term or sooner termination thereof, as herein provided, Lessee shall surrender to the Port the Premises peaceably and quietly. Lessee shall restore the Premises to the condition existing at the time of initiation of this Lease, except for: (i) normal wear and tear, and (ii) any improvements which the Port permits to remain on the Premises.

8.11.1 If the Port, at its sole discretion, shall require the use of the Premises for a public use in connection with the business of the Port not involving either (a) the sale of aviation fuel or (b) the lease thereof to another private lessee or in the event that the Port, at its sole discretion, shall require the use of the Premises for a major capital improvement for public or private use in connection with the operation of the business of the Port, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Lessee not less than ninety (90) days before the termination date specified in the notice, unless the need for such use constitutes an emergency, in which case this Lease shall terminate as soon as is practicable.

8.11.2 If the United States Government, the State of Washington, or any agency or instrumentality of said government shall take title, possession, the rights of the Premises or any part thereof, the Port shall have the option to terminate this Lease, and if the taking has substantially impaired the utility of the Premises to Lessee, Lessee shall have the option to terminate this Lease. Both options shall be exercisable as of the date of said taking. If Lessee is not in default under any of the provisions of this Lease on the date of such taking, any rental prepaid by Lessee shall be promptly refunded to Lessee to the extent allocable to any period subsequent to said date, and all further obligations of the Parties shall terminate except liabilities, which shall be accrued prior to such date. To the extent Lessee owns certain improvements upon the Premises and is not otherwise directly compensated therefore by the taking entity, Lessee shall receive a fair allocation of any award received by the Port due to termination for government use. Nothing herein contained shall preclude Lessee from independently pursuing a direct claim for compensation from the taking entity for the value of its improvements to the Premises or its leasehold interest therein.

8.11.3 If any court having jurisdiction in the matter shall render a decision which has become final and which will prevent the performance by the Port of any of its obligations under this Lease, then either Party hereto may terminate this Lease by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that occurred prior to the effective date of termination) shall thereupon terminate. If Lessee is not in default

under any of the provisions of this Lease on the effective date of such termination, any rent prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee.

8.11.4 Substitute Premises. If the Lease is terminated early under Section 7.11.1 or 7.11.2, then Port shall work cooperatively, diligently and in good faith with Lessee to identify any substitute premises as may be available for lease to Lessee, provided however nothing herein obligates the Port to identify any substitute premises, or to any costs of or responsibilities for relocating Lessee.

8.12 **DEFAULT, CROSS DEFAULT, AND REMEDIES**: Failure to pay Rent or any other monetary obligations by the first day of each month shall constitute a default under the terms of this Lease. If Lessee is in default in the payment of Rent or other monetary obligations then, at the Port's sole option, upon ten (10) days' written notice, this Lease may be terminated, and the Port may enter upon and take possession of the Premises. Without limiting the generality of the foregoing, Lessee expressly authorizes the Port to obtain a prejudgment writ of restitution in the event of default by Lessee. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

8.12.1 If Lessee shall fail to perform any term or condition of this Lease, other than the payment of Rent or other monetary obligations, then upon providing Lessee thirty (30) days' written notice of such default, and if Lessee fails to cure such default within the thirty (30) day notice thereof (or if the character of the default is one that cannot reasonably be cured within 30 days, then if Lessee fails to commence the cure within such 30 day period and thereafter diligently prosecute the cure to completion) the Port may terminate this Lease and enter upon and take possession of the Premises. This remedy is in addition to and is not exclusive of any other remedies provided either by this Lease or by law.

8.12.2 If within any one (1) year period, the Port serves upon Lessee three notices requiring Lessee either to: (i) comply with the terms of this Lease or to vacate the Premises or (ii) pay Rent or vacate (collectively referred to herein as "**Default Notices**"), then Lessee shall, upon a subsequent violation of any term of this Lease by Lessee (including failure to pay Rent), be deemed to be in unlawful detainer, and the Port may, in addition to any other remedies it may have, immediately terminate the Lease and/or commence an unlawful detainer action without further notice to Lessee.

8.12.3 The following shall also constitute a default under the terms of this Lease: (i) A default by Lessee under any other agreement or lease with the Port; (ii) insolvency of Lessee; (iii) an assignment by Lessee for the benefit of creditors; (iv) the filing by Lessee of a voluntary petition in bankruptcy; (v) an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (vi) the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within ninety (90) days after filing; and (vii) attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure a discharge of the attachment or release of the levy of execution within ninety (90) days.

8.12.4 A default under this Lease shall constitute a default under any other lease or agreement which Lessee has with the Port (hereinafter such other agreements shall be referred to as “**Collateral Agreements**”). Likewise, any material breach or default under a Collateral Agreements shall be deemed a material breach or default under the terms of this Lease. If any Collateral Agreements are terminated for a material breach or default of Lessee, then the Port shall, without limiting any other remedies it may have, be entitled to terminate this Lease upon five (5) days’ written notice to Lessee.

8.12.5 In addition to the foregoing remedies specified in this article, the Port may exercise any remedies or rights under the laws of the State of Washington. Under no circumstances shall the Port be held liable in damages or otherwise by reason of any lawful re-entry or eviction. The Port shall not, by any re-entry or other act, be deemed to have accepted any surrender by Lessee of the Premises or be deemed to have otherwise terminated this Lease or to have relieved Lessee of any obligation hereunder.

8.12.6 A fee of Five Hundred Dollars (\$500.00) shall be assessed to Lessee for each Default Notice issued to Lessee to defray the costs associated with preparing, issuing, and serving such notice. This fee shall be payable on the first (1st) day of the month following the issuance of the notice.

8.13 **NON-WAIVER:** Neither the acceptance of Rent nor any other act or omission of the Port after a default by Lessee shall operate as a waiver of any past or future default by Lessee, or to deprive the Port of its right to terminate this Lease or be construed to prevent the Port from promptly exercising any other right or remedy it has under this Lease. Any waiver by the Port or Lessee must be in writing and signed by an authorized person in order to be binding on the Port or Lessee.

8.14 **NOTICES:** Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing addressed to the other Party at the addresses as follows, or such address as may have been specified by notifying the other Party of the change of address. Notice must be personally delivered, sent by express courier with receipted delivery or by U.S. Mail, return receipt requested. Notice sent by personal delivery or express courier shall be deemed served on the date of actual delivery; notice sent by U.S. Mail shall be effective three (3) business days after due deposit with the USPS:

TO THE PORT

Port of Port Angeles
P.O. Box 1350
Port Angeles, Washington, 98362

And to:

Attention Port of Port Angeles Legal Counsel
Goodstein Law Group PLLC
501 South G Street
Tacoma WA 98405

TO LESSEE: Fairchild Fuel LLC
1402 Fairchild Airport Road
Port Angeles, WA 98363

8.15 **AGENT FOR SERVICE:** Lessee agrees that if Lessee is in unlawful detainer, pursuant to Chapter 59.12 RCW, and the Port is unable to serve Lessee with the unlawful detainer pleadings after one service attempt, then the Port shall be deemed to have complied with the service requirements of Chapter 59.12 RCW if it mails such pleadings via certified mail to the address set forth in the notice section of this Lease and posts such pleadings in a conspicuous location on the Premises. Service shall be deemed complete on the third (3rd) day following the day of posting or day of mailing, whichever is later.

8.16 **SECURITY:** Lessee specifically acknowledges that the Port has no duty to provide security for any portion of the Premises or surrounding areas. Lessee assumes sole responsibility and liability for the security of itself, its employees, customers, and invitees, and their respective property in or about the Premises. Lessee agrees that to the extent the Port elects to provide any security, the Port is not warranting the effectiveness of any such security personnel, services, procedures or equipment and that Lessee is not relying and shall not hereafter rely on such security personnel, services, procedures or equipment. The Port shall not be responsible or liable in any manner for failure of any such security personnel, services, procedures or equipment to prevent or control, or apprehend anyone suspected of personal injury or property damage in, on or around the Premises.

8.17 **QUIET ENJOYMENT:** The Port acknowledges that it has ownership of the Premises and that it has the legal authority to lease the Premises to Lessee. The Port covenants that Lessee shall have quiet enjoyment of the Premises during the term of this Lease so long as the terms are complied with by Lessee and subject to the Port's right of entry onto the Premises as set forth herein.

8.17.1 The Port reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses applied for will not unduly interfere with the use to which Lessee is putting the Premises or interfere unduly with the approved plan of development for the Premises. No easement or other land uses shall be granted to third parties, until damages to the Lessee have been dealt with appropriately, or waiver signed by Lessee.

8.17.2 Lessee understands that various federal agencies, including the Department of Homeland Security and U.S. Coast Guard, have the authority to restrict access to certain areas on property owned by the Port in order to counter a terrorist or other threat. Such restrictions could impact Lessee's ability to access the Premises for an indefinite period of time. Since such restrictions on access are outside the control of the Port, Lessee agrees that such interruptions shall not be deemed a violation of this Lease or the Covenant of Quiet Enjoyment.

8.18 **PORT MAY ENTER PREMISES; INSPECTION:** The Port reserves the right to inspect the Premises after written notice (except where the Port reasonably believes there exists or is about to exist an emergency, in which case no notice is required) at any and all reasonable times

throughout the term of this Lease, provided that it shall not unduly interfere with Lessee's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises and shall impose no liability upon the Port for failure to make such inspections. The Port shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for a reasonable period of time prior to the expiration or sooner termination of the Lease.

8.19 **TIME**: It is mutually agreed and understood that time is of the essence of this Lease and that a waiver of any default of Lessee shall not be construed as a waiver of any other default.

8.20 **INTERPRETATION**: This Lease has been submitted to the scrutiny of the Parties hereto and their counsel, if desired. In any dispute between the parties, the language of this Lease shall, in all cases, be construed as a whole according to its fair meaning and not for or against either the Port or Lessee. If any provision is found to be ambiguous, the language shall not be construed against either the Port or Lessee solely on the basis of which Party drafted the provision. If any word, clause, sentence, or combination thereof for any reason is declared by a court of law or equity to be invalid or unenforceable against one Party or the other, then such finding shall in no way affect the remaining provisions of this Lease.

8.21 **HOLDING OVER**: If Lessee remains in possession of said Premises after the date of expiration of this Lease without the Port's prior written consent, such holding over shall constitute and be construed as tenancy at sufferance only, at a monthly rent equal to one hundred fifty percent (150%) of the rent owed during the immediately preceding month under this Lease and otherwise upon the terms and conditions in this Lease and shall continue to be responsible for payment of applicable CAM Expenses and leasehold excise tax obligations. If Lessee holds over with the Port's prior written consent, then until such time as a new written Lease is executed by the Parties hereto, Lessee shall continue to make payments to the Port on a month-to-month basis as provided for in this Lease. Such holdover tenancy may be terminated by either Party at the end of any such monthly period by sending written notice not less than five (5) days before the end of such period. Such holdover tenancy shall be subject to all terms and conditions contained herein.

8.22 **PROMOTION OF PORT COMMERCE**: Lessee agrees that throughout the term of this Lease it will, insofar as practicable, promote the activities of the Port.

8.23 **SURVIVAL**: All obligations of the Parties, as provided for in the Lease, to the extent of a character that is not intended to cease upon termination of this Lease, shall not cease upon the termination of this Lease and shall continue as obligations until fully performed. All clauses of this Lease, which require performance beyond the termination date, shall survive the termination date of this Lease.

8.24 **GOVERNING LAW**: This Lease, and the right of the Parties hereto, shall be governed by and construed in accordance with the laws of the State of Washington, and the Parties agree that in any such action jurisdiction and venue shall lie exclusively in Clallam County, Washington.

8.25 **ESTOPPEL CERTIFICATES**: At Lessee's request, the Port agrees to execute and deliver to Lessee or its lender(s), a customary estoppel certificate in a form acceptable to the Port

which sets forth the following information: (i) the terms and conditions of this Lease, (ii) the status of the Rent payments under the Lease; and (iii) the Port's knowledge of any breaches or anticipated breaches of the Lease. The Port shall have no obligation to execute an estoppel certificate which requests any information other than as set forth above. Lessee agrees to reimburse the Port for all attorneys' fees paid by the Port for the review and opinion of such attorney acting on the request for such estoppel certificate and in negotiating acceptable language in the estoppel certificate. A failure to reimburse the Port within sixty (60) days of the mailing of notice of such charges shall constitute a default under the terms of this Lease.

8.26 **ATTORNMENT**: In the event the Premises are sold, Lessee shall attorn to the purchaser upon the sale provided that the purchaser expressly agrees in writing that, so long as Lessee is not in default under the Lease, Lessee's possession and occupancy of the Premises will not be disturbed and that such purchaser will perform all obligations of the Port under the Lease.

8.27 **ENTIRE AGREEMENT**: This Lease contains all of the understandings between the Parties. Each Party represents that no promises, representations or commitments have been made by the other as a basis for this Lease which have not been reduced to writing herein. No oral promises or representations shall be binding upon either Party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Lease executed with all necessary legal formalities by the Commission of the Port of Port Angeles, or its designee.

8.28 **COMMISSIONS AND FEES**. In the absence of any agreement between the Parties to the contrary, each Party represents and warrants to the other that it has not been represented by, or introduced to the other by, any broker or agent. In the absence of any agreement between the Parties to the contrary, each Party hereby agrees to indemnify and hold the other harmless from and against any and all fees, commissions, costs, expenses (including attorneys' fees) obligations and causes of actions arising against or incurred by the other Party by reason of any claim for a real estate commission or a fee or finder's fee by reason of any contract, agreement or arrangement with, or services rendered at the request of, the indemnifying Party.

8.29 **VALIDATION**: IN WITNESS WHEREOF, the Port has caused this instrument to be signed by its Executive Director, or other designee, by authority of the Commission of the Port of Port Angeles, and this instrument has been signed and executed by Lessee, the day and year first above written.

SIGNATURES APPEAR ON NEXT PAGE

LESSOR:

PORT OF PORT ANGELES

Paul S. Jarkiewicz
Its: Executive Director

LESSEE:

FAIRCHILD FUEL LLC

Kelly Kidwell
Its: Manager

Note: Initials required at Article 1, Section 4.4, Exhibit A.

STATE OF _____)
) ss.
County of _____)

On this ____ day of _____, 20__, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared KELLY KIDWELL, to me known to be the MANAGER of FAIRCHILD FUEL LLC, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

NOTARY PUBLIC in and for the
State of Washington, residing
at _____
My Commission Expires: _____

On this ____ day of _____, 20__, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul S. Jarkiewicz, to me known to be the **Executive Director of the Port of Port Angeles**, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing
at _____
My Commission Expires: _____

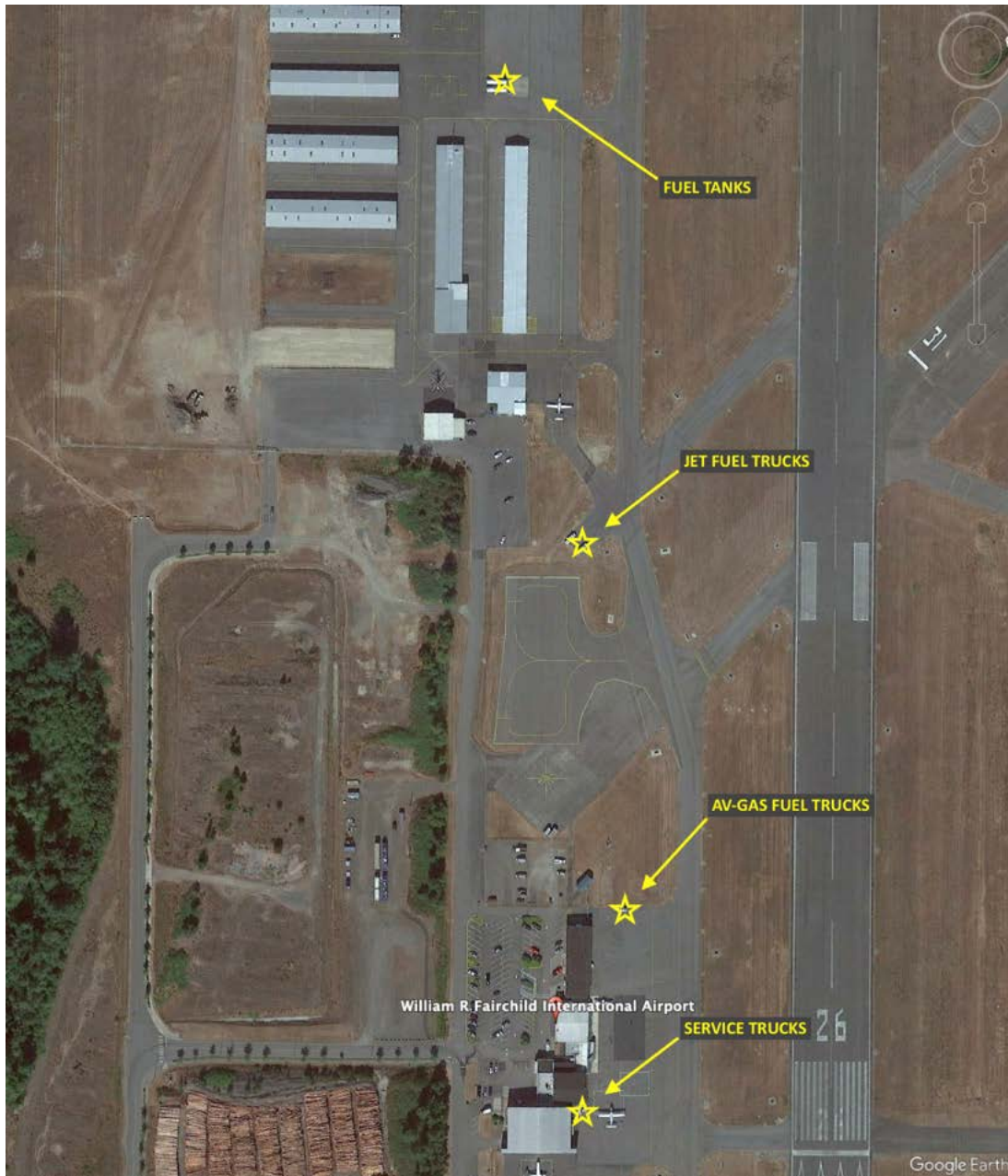
Commercial Ground Lease with Fuel Operations

EXHIBIT A – Leased Premises

Legal Description and Map

Tax Parcels: 063000117305; 063000116000; 063000115900





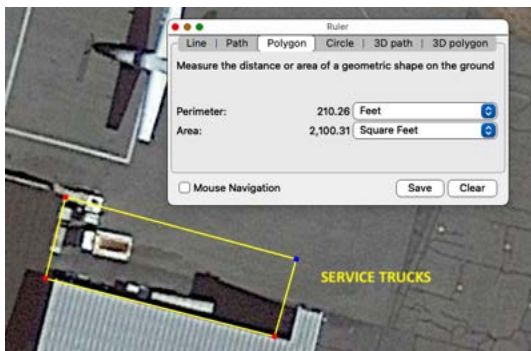
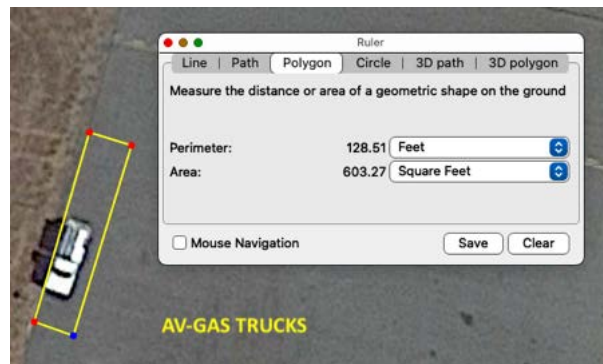
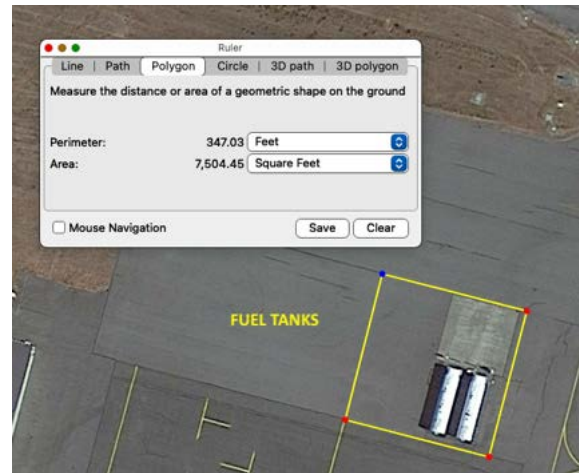
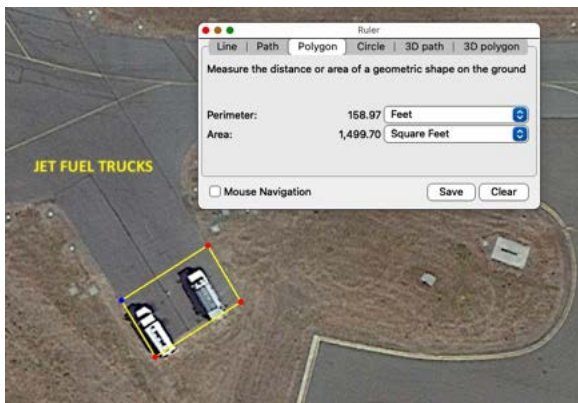


EXHIBIT B
LOCATION OF FUEL TRUCK AREAS

See Truck Parking Areas shown on Exhibit A.

EXHIBIT C CONSOLIDATED CHECKLISTS



Daily, Monthly Facility

		Facility (Page 1 of 3)										PRODUCT TYPE										DATE:										
Line No.	DAILY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
DF1	General Condition																															
DF2	Fire Extinguishers																															
DF3	Storage Tank Sump (visual & water)*																															
	Record Sump Sample Rating Results																															
	Tank #1 -----> Solid / Water Rating																															
	Tank #2 -----> Solid / Water Rating																															
DF4	Static Reels, Cables, and Clamps																															
DF5	Hoses, Swivels, Nozzles, Couplings & Dust Covers																															
DF6	Filter Sumps (visual & water)																															
	Record Sump Sample Rating Results																															
	Vessel #1																															
	Vessel #2																															
DF7	Deadman Control																															
DF8	Nozzle Fueling Pressure (During Recirculation) JetA*																															
DF8a	Nozzle Fueling Pressure (1st Fueling of Day) JetA *																															
DF9	Filter Differential Pressure *																															
	Record Differential Pressure (psi)																															
	Vessel #1																															
	Vessel #2																															
DF10	Security, Fire & Safety																															
DF11	Sump Saver (visual & water)*																															
DF12	Bulk Air Eliminators*																															
	Record Sump Sample Rating Results																															
DF13	Relaxation Chambers*																															
	Record Sump Sample Rating Results																															
	Initials of Inspector																															
Line No.	MONTHLY	Findings	Date	Initials		Line No.	MONTHLY	DATE	Initials																							
MF1	Inspect/Clean Nozzle Screens **					MF9	CORRECTED DIFFERENTIAL PRESSURE (EA FILTER)																									
MF2	Filtration & Free Water Checks (Millipore) (JET ONLY)						METHOD USED:	Velcon DP Conversion Calculator																								
MF3	Static System Continuity (25 ohms or less)						FILTER NUMBER	OBSERVED DP	ACTUAL FLOW RATE	CORRECTED DP																						
	Reel ID# Ohms / Reel ID# Ohms																															
MF4	Signs, Labels & Placards																															
MF5	Spill Kits																															
MF6	Fire Extinguishers																															
MF7	Floating Suction																															
MF8	Interstitial					MF10	Drain Double Block and Bleed Valve																									
REMARKS:																																

* Daily's 3, & 6 require solid-water findings & items 8, 8a, 9, 11, 12 & 13 require actual numerical readings. ** Over wing and Single Point nozzle screens *** change out DP gauge filter when performing this check

Ratings: Solids - (1) Clean / Clear, (2) Slight, (3) Particulate, (4) Dirty / Moisture Content(Water): (A)Bright, (B)Hazy, (C)Cloudy, (D) Wet(free water), (E)Surfactants
S=Satisfactory, C=Comment, N/U=Not Used, N/A=Not Applicable

Retain 12 months
KM12-2018/ATA 103-2017.1/



		(Page 2 of 3) Facility				PRODUCT TYPE			DATE:		
Line No.	QUARTERLY	ID#	ID#	ID#	ID#	ID#	ID#	ID#	ID#	ID#	ID#
QF 1	EMERGENCY FUEL SHUTOFF SYSTEM*										
	DATE & CONDITION CODE:										
	CHECKED BY:										
QF 2	TANK HIGH LEVEL CONTROLS										
	DATE & CONDITION CODE:										
	CHECKED BY:										
QF 3	Water Defense Systems										
	DATE & CONDITION CODE:										
	CHECKED BY:										
QF 4	RECLAIM TANK INSPECTION	RECORD RESULTS ON FORM <i>Tank Inspection & Cleaning Form Reclamation Tank</i>									
	DATE & CONDITION CODE:										
	CHECKED BY:										
QF 5	Sump Saver										
	DATE & CONDITION CODE:										
	CHECKED BY:										
<p>*NOTE: VERIFY EACH DEVICE WILL COMPLETELY STOP FUEL FLOW BEFORE OVERRUN HAS EXCEEDED 5% OF ACTUAL FLOW RATE OR WITHIN 5 SECONDS, WHICHEVER IS LESS.</p>											
SEMI-ANNUAL (ONLY REQUIRED IF USING REUSABLE COUPLINGS ON FUEL HOSES)											
SF 1	HOSE PRESSURE TEST	ID#	ID#	ID#	ID#	ID#	ID#	ID#	ID#	ID#	ID#
	TEST PRESSURE (PSI)										
	DATE & CONDITION CODE:										
	CHECKED BY:										
Remarks:											

* Daily's 3, & 6 require solid-water findings & items 8, 8a, 9, 11, 12 & 13 require actual numerical readings ** Over wing and Single Point nozzle screens *** change out DP gauge filter when performing this check

Retain 12 months
KM12-2018/ATA 2017.2

Ratings: Solids - (1) Clean / Clear, (2) Slight, (3) Particulate, (4) Dirty Moisture Content(Water): (A)Bright, (B)Hazy, (C)Cloudy, (D) Wet(free water), (E)Surfactants
S=Satisfactory, C=Comment, N/U=Not Used, N/A=Not Applicable



FACILITY(PAGE 3 OF 3):												PRODUCT:				YEAR:			
LINE NO.	ANNUAL	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #	ID #				
AF1	METER PROVING																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF2	FILTER ELEMENT VISUAL INSPECTION	REQUIRED EVERY 12 MONTHS Annual visual inspection / cleaning RECORD RESULTS ON Filter Vessel Form																	
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF2a	FILTER ELEMENT CHANGE	REQUIRED EVERY Annual Element Change OR AT 15 PSI RECORD RESULTS ON Filter Vessel Form																	
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF3	WATER DEFENSE SYSTEM																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF4	FIRE EXTINGUISHERS																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF5	DIFFERENTIAL PRESSURE GAUGES ***																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF6	STORAGE TANK INTERIOR	Record Results on the Tank Inspection & Cleaning Form																	
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF7	FILTER / SEPARATOR HEATERS																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF8	CATHODIC PROTECTION																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF9	TANK VENTS																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF10	LINE STRAINERS																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
AF11	Haypack																		
	DATE & CONDITION CODE																		
	CHECKED BY:																		
REMARKS:																			

*** change out DP gauge filter when performing this check

S=Satisfactory, C=Comment, N/U=Not Used, N/A=Not Applicable

Retain 12 months

KM-12-2018/ATA 2017.2

RECEIPT of FUEL Form

LOCATION:	DATE/ Time	Product	BOL NO	Release Certificate NO.
Section 1.0	Prior to Receiving Product		Findings and or Results	
1.1	Daily visual sump results			
1.2	Tank Gauge (HL Shutoff-Alarm chk) and Record Reading (can only be 90% of tank volume)		Inches	Gallons
1.3	Available room in tank (capacity minus gallons in tank)		Gallons	
1.4	Receiving tank sump results (explanation of rating below)			
1.5	Set Valve for receiving		Yes or NO	
1.6	Connect bonding cable		Yes or NO	
1.7	Transport truck pump off being used (pump dedicated or system flushed)?		Yes or NO	
Section 2.0	Documentation		Findings and or Results	
2.1	Grade		Jet A / JetA with Additive / Avgas-100LL	
2.2	Load Contain Additive? If Yes Indicate how much (% by volume or gallons)		Yes or NO / Additive Amount _____	
2.3	Quantity of Load Being Received		_____ Gallons	
2.4	Compartment Seals		Yes or NO	
2.5	Supply Point			
2.6	Transport Trailer Number/Transport Company Name			
2.7	Lab Analysis Rating Pass			
2.8	Is delivering trailer dedicated? (if NO, prior product hauled and steamed cleaned certificate provided)		Yes or NO	
2.9	Batch Number			
Section 3.0	Quality Control <i>note: Trailer shall set for ten (10) minutes prior to sampling. Five 5 gallons samples maybe required</i>		Findings and or Results	
3.1	Grade Marked			
3.2	Inspect Delivery Hose		Yes or NO	
3.3	Color of Product being Received (Clear to Straw for JetA / Blue for Avgas - 100LL)			
3.4	Clear and Bright Rating (explanation of rating below)			
3.5	Gravity (API) / Temperature Observed		_____ / _____	
3.6	Gravity (API) Corrected to 60			
3.7	Batch Gravity (Difference Between Batch gravity and Corrected to 60) EAF Release Cert <i>Note: Max allowed Difference is + / - 1 Full Number</i>			
Section 4.0	Tank Contents and After Completion of Receipt		Findings and or Results	
4.1	Differential Pressure (DP)			
4.2	System Leak Checks Performed		Yes or NO	
4.3	Total Received from Transport (ending gallons minus beginning gallons)		_____ Gallons	
4.4	Quantity Delivered (from Section 2)		_____ Gallons	
4.5	Loss / Gain (Received minus Delivery)			
4.6	Disconnect and Stow Offload Hose		Yes or NO	
4.7	Reposition Valves		Yes or NO	
4.8	White Bucket Results (explanation of rating below)		Tank _____	Filter _____
4.9	Tank Gauge Readings		Tank _____	Gallons _____
4.10	Disconnect Bonding Cable		Yes or NO	
Release time (Avgas = 15 minutes per foot / Jet A = 1 hour with floating suction and 1 hour per vertical foot without floating suction) ATA 103 regulations: It is desirable to have one hour settling per vertical foot of product depth				
Rating: Solids (1) Clean/Clear, (2) Slight, (3) Particulate, (4) Dirty / Moisture (Water): (A) Bright, (B) Hazy, (C) Cloudy, (D) Wet (free water), (E) Surfactants				
Remarks:				
Signature / Initials of Person Performing Receipt of Product				



FILTER VESSEL RECORD - ANNUAL VISUAL INSPECTION/CLEANING

To be completed per each vessel at changeout

STATION:	VESSEL ID:	DATE:
----------	------------	-------

EXTERIOR INSPECTION	RESULT
Vessel nameplate secure/legible. Conversion data plate installed (if applicable)	
Verify Similarity Data Sheets are on file & updated to reflect EI 1581 Latest Edition (if applicable)	
Base mounting bolts are secure	
Air Eliminator check valve in good repair; drain clear of obstructions and not open to environment	
Pressure Relief Valve not painted over; drain clear of obstructions and not open to environment	
Manual sump Drain clear of obstructions and free of leaks	
Upstream millipore connections present, covered and installed with arrows in direction of flow	
Downstream millipore connections present, covered and installed with arrows in direction of flow	
Direct Reading DP gauge present; calibrated and equipped with 3 way test valve	

FILTER ELEMENT & VESSEL INSPECTION	RESULT	VESSEL RETURN TO SERVICE	RESULT
Shut down and lock out pump		Close drain valve	
Close Inlet/Outlet valves and open vent		Ensure Air Eliminator is open	
Drain fuel		Remove lock and start pump	
Open cover & verify elements are secure		Slightly open inlet valve, slowly fill vessel	
Remove elements and inspect their integrity		Fill vessel until air stops or fuel vents from AE	
Inspect interior for sediment, water & microbial contamination		Inspect for leaks, repair as necessary	
Wash interior with clean jet fuel		Fully open Inlet/Outlet valves	
Inspect epoxy coating and repair if necessary		Record vessel inspection date on record	
Test water defense float for buoyancy if applicable		Placard vessel inspection date on vessel (month & year)	
Tighten nuts on tie rod (washer should curl)		Placard date of last water defense check on vessel	
Replace cover gasket, close lid, torque lid bolts		Circulate product at normal rate	

RATINGS: S = Satisfactory C = Comments required in remarks section N/A = Not Applicable

SAMPLING POINT	MEMBRANE FILTRATION TEST	WATER TEST
AFTER FILTRATION <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">PARTICULATE</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">CLAY</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">FILTER/SEPARATOR</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">MONITOR ELEMENT</div> <div>Δ PRESSURE _____ psi</div> <div>GPM _____</div> <div>WET RATING _____</div> <div>DRY RATING _____</div>		<div>(30 ppm allowable)</div> <div>PPM = _____</div> <div>SAMPLE SIZE _____ Gal/Liter</div>
NOTE: ONE GALLON FLUSH - ONE GALLON SAMPLE		

SIGNATURE OF PERSON(certifying & inspecting) Elements:
REMARKS:

RETAIN ON FILE FOR 36 MONTHS

km 12-18-FVInsp

FILTER VESSEL ANNUAL VISUAL INSPECTION/CLEANING FORM

Airport: _____ Vessel ID: _____ Date: _____

EXTERIOR INSPECTION

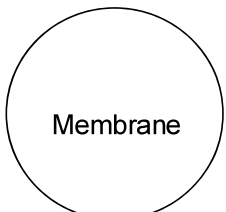
RESULT

Vessel Nameplate secure and legible. Conversion data plate installed, if applicable.
 Verify that Similarity Data Sheets are on file & have been updated to reflect API 1581 Latest Edition, if applicable
 Base mounting bolts secure.
 Air Eliminator check valve in good repair; drain clear of obstruction and not open to environment.
 Pressure Relief Valve not painted over; drain clear of obstruction and not open to environment.
 Manual Sump Drain clear of obstruction and free of leaks.
 Upstream millipore connections present, covered, and installed with arrows in direction of flow. Direct Reading
 DP Gauge present; calibrated; and equipped w/ 3-way test valve.

FILTER CHANGE/VESSEL INSPECTION	RESULT	VESSEL RETURN to SERVICE	RESULT
Shutdown and lockout pump.		Close drain valve(s)	
Close Inlet/Outlet valves and open vent.		Ensure Air Eliminator is open	
Drain Fuel		Remove Lock and Start Pump	
Open cover & verify elements are secure		Slightly open inlet valve to slowly fill vessel	
Remove elements & inspect their integrity		Fill vessel until air stops or fuel vents from AE	
Inspect interior for sediment, H ² O, microbial cont.		Inspect for leaks. Repair as necessary.	
Wash interior with clean jet fuel		Fully open Inlet/Outlet valves	
Inspect epoxy coating and repair, if necessary		Record filter change date on record	
Test H ² O defense float for buoyancy, if applica		Placard filter change date on vessel (month/year)	
Replace filter elements / Torque		Placard date of last H ² O defense check on vessel	
Tighten nuts on tie rods (washer should curl)		Circulate product at normal rate	
Replace cover gasket, close lid, torque lid bolts		DP-Yr 1 DP-Yr 2 DP-Yr3	

Comments:

RATINGS: S = Satisfactory; C = Comment Required in Remarks Section; N/A = Not Applicable

Sampling Point	Membrane Filtration Test	ASTM D-2276	Water Test
After Filtration <input type="checkbox"/> Clay <input type="checkbox"/> Particulate <input type="checkbox"/> Monitor <input type="checkbox"/> Filter/Separate Δp _____ psi GPM _____	Attach Membrane  note: 1 gallon flush-one gallon sample Wet Rating _____ Dry Rating _____ Sample Size _____ Gal/Liter	Test Method _____ Test Method _____ ppm _____	

Identification of person performing tasks _____

kn 12-18/FilterChangeout/Vessel Inspection/Retain 36 months
 If you elect to do the 3 year change out at your facility then you **MUST** complete the following forms: **Filter Vessel Daily DP Form, Fuel Conf-Order Form (each fueling), Filter Vessel Annual Visual Inspection/Cleaning Form**

You are solely responsible for determining if such practices, standards or requirements exist and whether they apply to your activities, and for complying with those that are applicable. Such practices, standards and requirements can change significantly over time. A4A does not guarantee, promise or warrant that the specifications in this document will meet the needs of your operations. This is a determination that you must make and for which A4A is not responsible.

FILTER VESSEL INSPECTION RECORD



Airport: _____ Vessel ID: _____ Date: _____

EXTERIOR INSPECTION

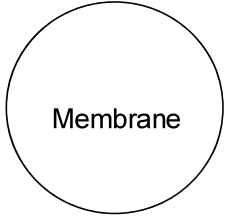
RESULT

Vessel Nameplate secure and legible. Conversion data plate installed, if applicable.
 Verify that Similarity Data Sheets are on file & have been updated to reflect API 1581 Latest Edition, if applicable
 Base mounting bolts secure.
 Air Eliminator check valve in good repair; drain clear of obstruction and not open to environment.
 Pressure Relief Valve not painted over; drain clear of obstruction and not open to environment.
 Manual Sump Drain clear of obstruction and free of leaks.
 Upstream & Downstream millipore connections present, covered, and installed with arrows in direction of flow.
 Direct Reading DP Gauge present; calibrated; and equipped w/ 3-way test valve.

FILTER CHANGE/VESSEL INSPECTION	RESULT	VESSEL RETURN to SERVICE	RESULT
Shutdown and lockout pump.		Close drain valve(s)	
Close Inlet/Outlet valves and open vent.		Ensure Air Eliminator is open	
Drain Fuel		Remove Lock and Start Pump	
Open cover & verify elements are secure		Slightly open inlet valve to slowly fill vessel	
Remove elements & inspect their integrity		Fill vessel until air stops or fuel vents from AE	
Inspect interior for sediment, H ₂ O, microbial cont.		Inspect for leaks. Repair as necessary.	
Wash interior with clean jet fuel		Fully open Inlet/Outlet valves	
Inspect epoxy coating and repair, if necessary		Record filter change date on record	
Test H ₂ O defense float for buoyancy, if applica		Placard filter change date on vessel (month/year)	
Replace filter elements / Torque		Placard date of last H ₂ O defense check on vessel	
Tighten nuts on tie rods (washer should curl)		Circulate product at normal rate	
Replace cover gasket, close lid, torque lid bolts		Starting DP / 1st Year / 2nd Year	

Comments:

RATINGS: S = Satisfactory; C = Comment Required in Remarks Section; N/A = Not Applicable

Sampling Point	Membrane Filtration Test	ASTM D-2276	Water Test
After Filtration <input type="checkbox"/> Clay <input type="checkbox"/> Particulate <input type="checkbox"/> Monitor <input type="checkbox"/> Filter/Separate Δp _____ psi GPM _____	 Wet Rating _____ Dry Rating _____ Sample Size _____ Gal/Liter	Test Method _____ Test Method _____ ppm _____	
Identification of person performing tasks _____			



HOSE HISTORY RECORD

Supplier:		Hose Type and Size:	
Manufacturer:		Hose Length:	
Date of Manufacture:		Test Report Received:	
Date Received:		Received with Couplings:	
Hose Serial No.:		Coupling Type:	End 1
Hose Assembly No.:			End 2
Local Identification No.:		Coupling Marking:	End 1
Date Hose Scrapped & Reason:			End 2

NORMAL DUTY

Date Fitted:	1	2	3	4
Location / Vehicle:				
Date Removed:				

Date Hose Scrapped and Reason: _____

Extended New Storage (24 to 36 Months) (Date Filled/Soaked)

1	2	3	4
5	6	7	8
9	10	11	12

Date Hose Scrapped: _____

Storage out of Service (Date Filled / Soaked)

1	2	3	4
5	6	7	8
9	10	11	12

Date Hose Scrapped: _____

Couplings

Date Removed/Refitted:	1	2	3	4
Confirm Same Type Used:				
Confirm Pressure Test (20 bar):				
Work Done by:				

Extended Life (10 to 15 yrs not Into-plane Use)

Reason: _____ Location: _____



Vehicle (Page 1 of 2)

		Vehicle ID (Page 1 of 2)								Tank Size								Product Type								DATE:						
Line No.	DAILY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
DV1	General Condition																															
DV2	Fire Extinguishers																															
DV3	Storage Tank Sump (visual & water)* <i>Record Sump Sample Rating Results</i>																															
DV3a	Additional Tank Sump-If Applicable*																															
DV4	Static Reels, Cables, and Clamps																															
DV5	Hoses, Swivels, Nozzles, Couplings & Dust Covers																															
DV6	Filter Sumps (visual & water)* <i>Record Sump Sample Rating Results</i>																															
DV7	Deadman Control																															
DV8	Nozzle Fueling Pressure (During Recirculation) <i>JetA*</i>																															
DV8a	Nozzle Fueling Pressure (First Fueling of Day) <i>JetA*</i>																															
DV9	Filter Differential Pressure * <i>Record Differential Pressure (psi)</i>																															
DV10	Surge Waste Tank																															
DV11	Air Tanks																															
DV12	Tanker Trough (Clear)																															
DV13	Brake Interlock (Safety)																															
DV14	Tanker Bottom Load																															
DV15	Lift Platform																															
Initials of Inspector																																
Line No.	MONTHLY	Findings	Date	Initials	Line No.	MONTHLY	Findings	Date	Initials																							
MV1	Inspect/Clean Nozzle Screens **				MV11	Injector Calibration/B2 Test																										
MV2	Filtration & Free Water Checks (Millipore) <i>(JET ONLY)</i>				MV12	Fuel Hoses																										
MV3	Static System Continuity (25 ohms or less)*				MV13	Emergency Fuel Shutoff																										
	Reel ID# Ohms / Reel ID# Ohms																															
MV4	Signs, Labels & Placards																															
MV5	Spill Kits																															
MV6	Fire Extinguishers				MV14	Trough Drains																										
MV7	Deadman Control Systems				MV15	Lift Platforms																										
	Record Overrun(see note)				MV16	Correct DP - Method USED																										
MV8	Meter Seals (Lead Safety)					Observed Actual Flow Corrected																										
MV9	Tanker Interiors					DP _____ Rate _____ DP _____																										
MV10	Tanker Vent & Dome Cover																															
*Note: VERIFY EACH DEVICE WILL COMPLETELY STOP FUEL FLOW BEFORE OVERRUN HAS EXCEEDED 5% OF ACTUAL FLOW RATE OR WITHIN 5 SECONDS, WHICHEVER IS LESS																																
REMARKS:																																

*Daily's 3, 3A, 6, require solid-water findings & items 8, 8a, 9, MV3, MV 11 require actual numerical readings ** Over wing and Single Point nozzle screens*** change out DP gauge filter when performing this check

Ratings: Solids - (1) Clean / Clear, (2) Slight, (3) Particulate, (4) Dirty / Moisture Content(Water): (A)Bright, (B)Hazy, (C)Cloudy, (D) Wet(free water), (E)Surfactants
Condition Codes: S=Satisfactory, C=Comment, N/U=Not Used, N/A=Not Applicable

Retain for 12 months
KM112-2018/ATA 103-2017.1



Vehicle (Page 2 of 2)

		Vehicle ID (2 of 2)	Tank Size	PRODUCT TYPE	DATE:
Line No.	QUARTERLY	1st QTR	2nd QTR	3rd QTR	4 th QTR
QV1	Pressure Control ----- Condition Code				
	Primary Fuel Pressure Setting (PSI)				
	Secondary Fuel Pressure Setting (PSI)				
QV2	Water Defense System - External				
	Condition Code				
	Checked By & Date				
QV3	Vehicle Inspection				
	Condition Code				
	Checked By & Date				
QV4	Internal Valve-Belly By Pass Valve				
	Condition Code				
	Checked By & Date				
QV5	Interlock Override Function				
	Condition Code				
	Checked By & Date				
Line No.	SEMI-ANNUAL (ONLY REQUIRED IF USING REUSABLE COUPLINGS ON FUEL HOSES)				
SV1	HOSE PRESSURE TEST	ID #	ID#	ID#	ID#
	Test Pressure (PSI)				
	Condition Code				
	Checked By & Date				
Line No.	ANNUAL	Results		Results	
AV1	Meter Proving		AV3	Water Defense System (Inspection & Test)	
	Condition Code			Condition Code	
	Checked By & Date			Checked By & Date	
AV2a	Filter Monitor Element Change	Condition Code	AV4	Fire Extinguisher	
	Checked By & Date			Condition Code	
AV2b	Filter Coalescer Vessel Inspection	Condition Code		Checked By & Date	
	Checked By & Date		AV5	Fueling & DP Gauges ***	Condition Code
AV2c	Filter Coalescer Element Change	Condition Code	AV6	Differential Pressure Limiting Device---	Condition Code
	Checked By & Date			Checked By & Date	
Remarks:					

* Daily's 3, & 6 require solid-water findings & items 8, 8a, 9, 11, 12 & 13 require actual numerical readings ** Over wing and Single Point nozzle screens*** change out DP gauge filter when performing this check

Ratings: Solids - (1) Clean / Clear, (2) Slight, (3) Particulate, (4) Dirty / Moisture Content(Water): (A)Bright, (B)Hazy, (C)Cloudy, (D) Wet(free water), (E)Surfactants

Condition Codes: S=Satisfactory, C=Comment, N/U=Not Used, N/A=Not Applicable

Retain for 12 months

KM-12-18/ATA 2017.1/



FILTER VESSEL RECORD - ANNUAL VISUAL INSPECTION/CLEANING

To be completed per each vessel at changeout

STATION:	VESSEL ID:	DATE:
----------	------------	-------

EXTERIOR INSPECTION	RESULT
Vessel nameplate secure/legible. Conversion data plate installed (if applicable)	
Verify Similarity Data Sheets are on file & updated to reflect EI 1581 Latest Edition (if applicable)	
Base mounting bolts are secure	
Air Eliminator check valve in good repair; drain clear of obstructions and not open to environment	
Pressure Relief Valve not painted over; drain clear of obstructions and not open to environment	
Manual sump Drain clear of obstructions and free of leaks	
Upstream millipore connections present, covered and installed with arrows in direction of flow	
Downstream millipore connections present, covered and installed with arrows in direction of flow	
Direct Reading DP gauge present; calibrated and equipped with 3 way test valve	

FILTER ELEMENT & VESSEL INSPECTION	RESULT	VESSEL RETURN TO SERVICE	RESULT
Shut down and lock out pump		Close drain valve	
Close Inlet/Outlet valves and open vent		Ensure Air Eliminator is open	
Drain fuel		Remove lock and start pump	
Open cover & verify elements are secure		Slightly open inlet valve, slowly fill vessel	
Remove elements and inspect their integrity		Fill vessel until air stops or fuel vents from AE	
Inspect interior for sediment, water & microbial contamination		Inspect for leaks, repair as necessary	
Wash interior with clean jet fuel		Fully open Inlet/Outlet valves	
Inspect epoxy coating and repair if necessary		Record vessel inspection date on record	
Test water defense float for buoyancy if applicable		Placard vessel inspection date on vessel (month & year)	
Tighten nuts on tie rod (washer should curl)		Placard date of last water defense check on vessel	
Replace cover gasket, close lid, torque lid bolts		Circulate product at normal rate	

RATINGS: S = Satisfactory C = Comments required in remarks section N/A = Not Applicable

SAMPLING POINT	MEMBRANE FILTRATION TEST	WATER TEST
AFTER FILTRATION <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">PARTICULATE</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">CLAY</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">FILTER/SEPARATOR</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">MONITOR ELEMENT</div> <div>Δ PRESSURE _____ psi</div> <div>GPM _____</div> <div>WET RATING _____</div> <div>DRY RATING _____</div>		<div>(30 ppm allowable)</div> <div>PPM = _____</div> <div>SAMPLE SIZE _____ Gal/Liter</div>
NOTE: ONE GALLON FLUSH - ONE GALLON SAMPLE		

SIGNATURE OF PERSON(certifying & inspecting) Elements:

REMARKS:

RETAIN ON FILE FOR 36 MONTHS

km 12-18-FVInsp

FILTER VESSEL ANNUAL VISUAL INSPECTION/CLEANING FORM

Airport: _____ Vessel ID: _____ Date: _____

EXTERIOR INSPECTION

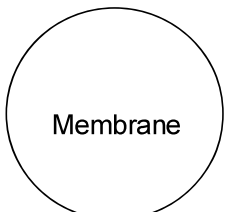
RESULT

Vessel Nameplate secure and legible. Conversion data plate installed, if applicable.
 Verify that Similarity Data Sheets are on file & have been updated to reflect API 1581 Latest Edition, if applicable
 Base mounting bolts secure.
 Air Eliminator check valve in good repair; drain clear of obstruction and not open to environment.
 Pressure Relief Valve not painted over; drain clear of obstruction and not open to environment.
 Manual Sump Drain clear of obstruction and free of leaks.
 Upstream millipore connections present, covered, and installed with arrows in direction of flow. Direct Reading
 DP Gauge present; calibrated; and equipped w/ 3-way test valve.

FILTER CHANGE/VESSEL INSPECTION	RESULT	VESSEL RETURN to SERVICE	RESULT
Shutdown and lockout pump.		Close drain valve(s)	
Close Inlet/Outlet valves and open vent.		Ensure Air Eliminator is open	
Drain Fuel		Remove Lock and Start Pump	
Open cover & verify elements are secure		Slightly open inlet valve to slowly fill vessel	
Remove elements & inspect their integrity		Fill vessel until air stops or fuel vents from AE	
Inspect interior for sediment, H ² O, microbial cont.		Inspect for leaks. Repair as necessary.	
Wash interior with clean jet fuel		Fully open Inlet/Outlet valves	
Inspect epoxy coating and repair, if necessary		Record filter change date on record	
Test H ² O defense float for buoyancy, if applica		Placard filter change date on vessel (month/year)	
Replace filter elements / Torque		Placard date of last H ² O defense check on vessel	
Tighten nuts on tie rods (washer should curl)		Circulate product at normal rate	
Replace cover gasket, close lid, torque lid bolts		DP-Yr 1 DP-Yr 2 DP-Yr3	

Comments:

RATINGS: S = Satisfactory; C = Comment Required in Remarks Section; N/A = Not Applicable

Sampling Point	Membrane Filtration Test	ASTM D-2276	Water Test
After Filtration <input type="checkbox"/> Clay <input type="checkbox"/> Particulate <input type="checkbox"/> Monitor <input type="checkbox"/> Filter/Separate Δp _____ psi GPM _____	Attach Membrane  note: 1 gallon flush-one gallon sample Wet Rating _____ Dry Rating _____ Sample Size _____ Gal/Liter	Test Method _____ Test Method _____ ppm _____	

Identification of person performing tasks _____

kn 12-18/FilterChangeout/Vessel Inspection/Retain 36 months
 If you elect to do the 3 year change out at your facility then you **MUST** complete the following forms: **Filter Vessel Daily DP Form, Fuel Conf-Order Form (each fueling), Filter Vessel Annual Visual Inspection/Cleaning Form**

You are solely responsible for determining if such practices, standards or requirements exist and whether they apply to your activities, and for complying with those that are applicable. Such practices, standards and requirements can change significantly over time. A4A does not guarantee, promise or warrant that the specifications in this document will meet the needs of your operations. This is a determination that you must make and for which A4A is not responsible.

FILTER VESSEL INSPECTION RECORD



Airport: _____ Vessel ID: _____ Date: _____

EXTERIOR INSPECTION

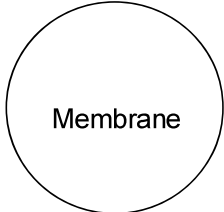
RESULT

Vessel Nameplate secure and legible. Conversion data plate installed, if applicable.
 Verify that Similarity Data Sheets are on file & have been updated to reflect API 1581 Latest Edition, if applicable
 Base mounting bolts secure.
 Air Eliminator check valve in good repair; drain clear of obstruction and not open to environment.
 Pressure Relief Valve not painted over; drain clear of obstruction and not open to environment.
 Manual Sump Drain clear of obstruction and free of leaks.
 Upstream & Downstream millipore connections present, covered, and installed with arrows in direction of flow.
 Direct Reading DP Gauge present; calibrated; and equipped w/ 3-way test valve.

FILTER CHANGE/VESSEL INSPECTION	RESULT	VESSEL RETURN to SERVICE	RESULT
Shutdown and lockout pump.		Close drain valve(s)	
Close Inlet/Outlet valves and open vent.		Ensure Air Eliminator is open	
Drain Fuel		Remove Lock and Start Pump	
Open cover & verify elements are secure		Slightly open inlet valve to slowly fill vessel	
Remove elements & inspect their integrity		Fill vessel until air stops or fuel vents from AE	
Inspect interior for sediment, H ₂ O, microbial cont.		Inspect for leaks. Repair as necessary.	
Wash interior with clean jet fuel		Fully open Inlet/Outlet valves	
Inspect epoxy coating and repair, if necessary		Record filter change date on record	
Test H ₂ O defense float for buoyancy, if applica		Placard filter change date on vessel (month/year)	
Replace filter elements / Torque		Placard date of last H ₂ O defense check on vessel	
Tighten nuts on tie rods (washer should curl)		Circulate product at normal rate	
Replace cover gasket, close lid, torque lid bolts		Starting DP / 1st Year / 2nd Year	

Comments:

RATINGS: S = Satisfactory; C = Comment Required in Remarks Section; N/A = Not Applicable

Sampling Point	Membrane Filtration Test	ASTM D-2276	Water Test
After Filtration <input type="checkbox"/> Clay <input type="checkbox"/> Particulate <input type="checkbox"/> Monitor <input type="checkbox"/> Filter/Separate Δp _____ psi GPM _____	 Wet Rating _____ Dry Rating _____ Sample Size _____ Gal/Liter	Test Method _____ Test Method _____ ppm _____	
Identification of person performing tasks _____			



HOSE HISTORY RECORD

Supplier:		Hose Type and Size:	
Manufacturer:		Hose Length:	
Date of Manufacture:		Test Report Received:	
Date Received:		Received with Couplings:	
Hose Serial No.:		Coupling Type:	End 1
Hose Assembly No.:			End 2
Local Identification No.:		Coupling Marking:	End 1
Date Hose Scrapped & Reason:			End 2

NORMAL DUTY

Date Fitted:	1	2	3	4
Location / Vehicle:				
Date Removed:				

Date Hose Scrapped and Reason _____

Extended New Storage (24 to 36 Months) (Date Filled/Soaked)

1	2	3	4
5	6	7	8
9	10	11	12

Date Hose Scrapped: _____

Storage out of Service (Date Filled / Soaked)

1	2	3	4
5	6	7	8
9	10	11	12

Date Hose Scrapped: _____

Couplings

Date Removed/Refitted:	1	2	3	4
Confirm Same Type Used:				
Confirm Pressure Test (20 bar):				
Work Done by:				

Extended Life (10 to 15 yrs not Into-plane Use)

Reason: _____ Location: _____

EXHIBIT D
EMERGENCY ACTION PLAN

AVIATION FUEL

EMERGENCY RESPONSE PLAN

FAIRCHILD FUEL
AT FAIRCHILD INTERNATIONAL AIRPORT
PORT ANGELES, WA

Original Date of Plan: June 1, 2024
Date of Last Amendment: June 1, 2024

TABLE OF CONTENTS

1. Introduction
2. Facility Information
3. Roles and Responsibilities
4. Fuel Storage Capacity
5. Emergency Response Procedures
6. Spill Control and Cleanup Measures
7. Spill Reporting
8. Spill Prevention Measures

1. Introduction:

Fairchild Fuel handles aviation fuel at Fairchild International Airport ("Airport") in Port Angeles, WA. This Emergency Response Plan identifies actions and resources that will assist Fairchild Fuel staff in responding to a spill or other release of fuel at the Airport

2. Facility Information:

- 2.1. Facility Name: Fairchild International Airport, owned by Port of Port Angeles
- 2.2. Location: 1402 Fairchild Road, Port Angeles, WA 98363
- 2.3. Owner/Operator: Fairchild Fuel, LLC
- 2.4. Contact Information
 - Fairchild Fuel Business Phone: 360-452-6226
 - Kelly Kidwell, CEO, kelly.kidwell@flycitizenair.com
 - Erik Marks, General Counsel and EVP, erik.marks@flycitizenair.com
 - Jeff Well, Rite Bros Chief Pilot, jeffwelldone@me.com

3. Roles and Responsibilities

3.1. Fairchild Fuel Environmental Safety Officer: _____ name/phone/email _____

3.2. Fairchild Fuel Incident Commander: _____ name/phone/email _____

3.3. **Emergency Contacts**

3.3.1. City Emergency Response: Dial 911

3.3.2. NRC Environmental Services / Republic Services

Emergency phone: (877) 880-4672

Non-emergency phone: 1-206-607-3000

3.3.3. Clean Harbors

Eric Orwoll, Account Manager, (c) 206-255-5737

Emergency Phone: (800)645-8265

4. Fuel Storage Capacity

- 4.1. Fixed Storage: Two above-ground 12,000-gallon aviation fuel tanks located side by side on a concrete slab West of the main airport building.
- 4.2. Mobile Storage: 3 fuel trucks
 - 3,000-gallon jet fuel truck
 - 2,200-gallon jet fuel truck
 - 750-gallon av-gas truck

5. Spill Response, Control and Cleanup Measures:

If there is a spill or release of fuel, use the following **Spill Response, Control and Cleanup measures:**

- 5.1. Immediately eliminate any source of spark or heat. Turn off all airplanes, vehicles and equipment nearby.
- 5.2. Immediately shut off the source of the spill.
- 5.3. Use available spill containment equipment to contain the spill. See attached **Schedule A**.
- 5.4. If the spill is within your cleanup capacity, use available spill cleanup equipment to soak up the spilled fuel.
- 5.5. If the spill exceeds your cleanup capacity, contact one of the companies under Section 3.3 for cleanup services.
- 5.6. Dispose of fuel-soaked containment and cleanup materials appropriately, as directed by the Environmental Safety Officer.

6. Spill Reporting:

Following a spill, report as follows:

- 6.1. If the amount of fuel spilled is **under 1 gallon**
 - Follow Spill Response, Control and Cleanup Measures in #6 above.
 - Document the incident in the Fuel Spill Log.
- 6.2. If the amount of fuel spilled is **over 1 gallon** and **within your containment** and cleanup capacity:
 - Follow Spill Response, Control and Cleanup Measures in #6 above.
 - Notify the Port by calling 360-457-1909, within one hour after the spill.
 - File a written report with the Port within 24 hours after the spill.
 - Document the incident in the Fuel Spill Log.
- 6.3. If the amount of fuel spilled is **over 1 gallon** and **exceeds your containment** and cleanup capacity:
 - IU
 - Take immediately available measures to stop fuel flow.
 - Call 911
 - Notify Company Management
 - Contact one of the Emergency Cleanup Companies identified in Section 3.3 above.
 - Notify the Port by calling 360-457-1909, within one hour after the spill.
 - File a written report with the Port within 24 hours after the spill.
 - Document the incident in the Fuel Spill Log.

SCHEDULE A
SPILL CONTAINMENT AND CLEANUP EQUIPMENT

LOCATION	ITEMS	COMMENTS
FUEL TANKS	1 drum with spill response Kit, (contains: gloves, goggles, absorbent pads, dams), bag for contaminants.	
FUEL TRUCKS (1 AV-GAS TRUCK; 2 JET FUEL TRUCKS)	Fuel Spill 5-gallon pail (contains: Gloves, Goggles, absorbent pads, dams), Fuel Absorbent/Neutralizer (5-gallon pail).	
WEST HANGAR	Fuel Spill 5-gallon pail (contains: Gloves, Goggles, absorbent pads, dams), Fuel Absorbent/Neutralizer (5-gallon pail)	

MEMORANDUM REV1

To: Erik Marks
Citizen Aviation Management, LLC

From: Lynni Bennett, L.G.
GeoTest, an RMA Company

Date: December 9, 2024

Subject: Fairchild Fuel Tanks Environmental Soil Sampling, Analysis, and Reporting
1402 Fairchild Airport Road
Port Angeles, Washington

GeoTest Project No. 00-243476-0

Introduction

As requested, GeoTest, an RMA Company, ("GeoTest") has completed an assessment of in situ soils present near the general vicinity of the oil water separator outfall associated with the site fuel tanks. GeoTest understands that this investigation was requested in order to establish a baseline for any potential jet fuel contamination historically present.

Fieldwork and Analytical Results

On October 29, 2024, a GeoTest representative collected a total of two discrete grab soil samples from one test pit located within the stormwater swale and immediately below the daylighted oil water separator outfall.



Image 1: Photo taken facing east.



Image 2: Photo taken facing south.



Image 3: Soil samples obtained within the swale immediately below the subject outfall.

Photo taken facing north.

One sample was collected approximately one inch below the surface (TP-1 @ 1"). A second, deeper sample (TP-1 @ 2.8') was collected from the same location at approximately 2.8 feet below present grade (BPG). The shallow sample was obtained in situ after the backhoe had removed any vegetation present. The second, deeper sample was obtained from the approximate center of a backhoe bucket.

The observed soil column consisted of dark brown, damp, soft silt with some gravel and rootlets, interpreted as topsoil, from the surface to approximately 0.2 feet BPG. Apparent reworked native, consisting of brown, slightly damp, medium dense, silty sand and gravel was present below the topsoil layer and extended to approximately 3 feet BPG. Subsurface exploration was terminated due to equipment refusal at approximately 3 feet BPG upon encountering bedrock interpreted as siltstone. No petroleum odors were detected at the time of sampling. New nitrile gloves were used to obtain each soil sample. The soil samples were each placed in pre-cleaned, laboratory-supplied jars as they were collected. On completion of the sampling, the sample jars were placed with ice in a cooler and transported under chain-of-custody to ALS Environmental in Everett, Washington, for analysis.

Each sample was analyzed by NWTPH-Dx for diesel and oil range organics and EPA Method 8260 for volatile organic compounds, respectively. Analytical results are summarized in Table 1 and the laboratory analytical report is attached.

Conclusions

The soil analytical results were compared to the Washington Model Toxics Control Act ("MTCA") Method A cleanup levels for unrestricted land use. As can be observed in Table 1, all reported analytes returned a value of "non-detect."

Limitations

This memorandum is for Citizen Aviation Management, LLC's use only and may not be relied upon by any other entity without the written permission of GeoTest. No environmental analysis can eliminate all uncertainty, and Project site conditions can vary from the data collected. Therefore, data and analysis included herein do not imply a warranty or guarantee.

We appreciate the opportunity to provide environmental services on this project and look forward to assisting you in the future. Should you have questions regarding the information contained within the report, or if we may be of service in other regards, please contact the undersigned.

Respectfully,
GeoTest, an RMA Company



2024-12-09

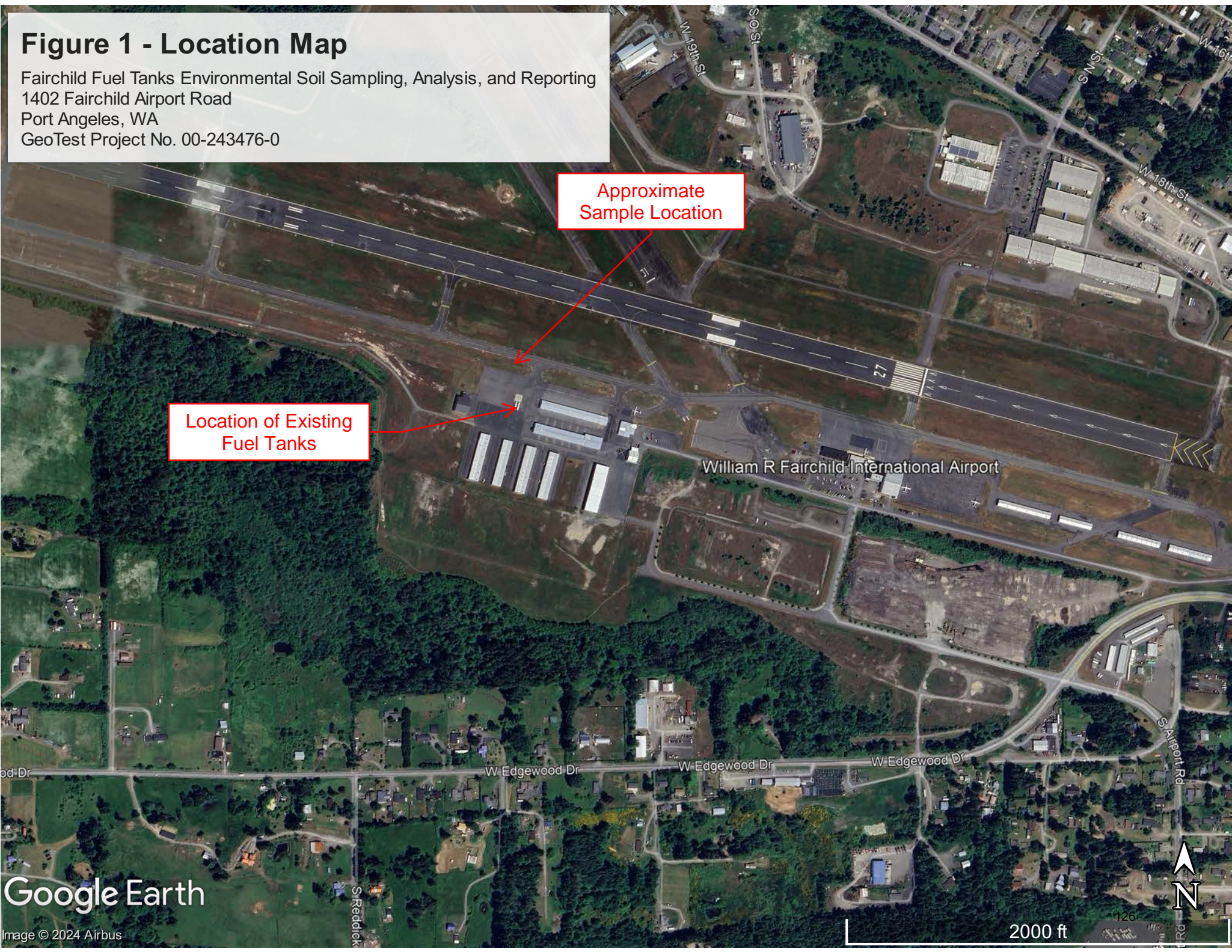
Lynni Eileen Bennett

Lynni Bennett, L.G.
Environmental Professional
Refinery Services Project Manager

Attachments:	Figure 1	Location Map
	Figure 2	Sample Location Diagram
	Table 1	Soil Analytical Results
	ALS Analytical Results (14 Pages)	

Figure 1 - Location Map

Fairchild Fuel Tanks Environmental Soil Sampling, Analysis, and Reporting
1402 Fairchild Airport Road
Port Angeles, WA
GeoTest Project No. 00-243476-0

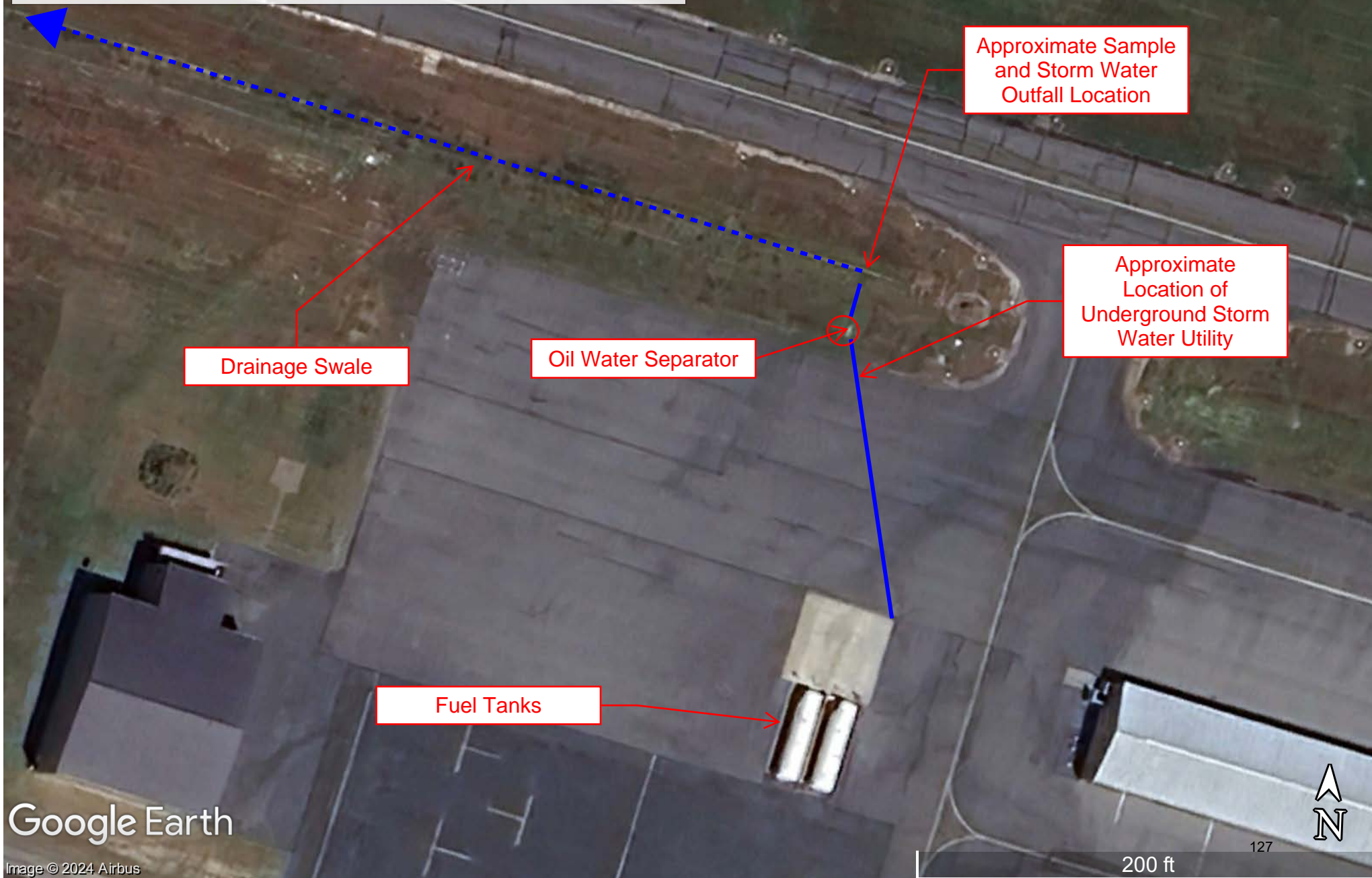


Google Earth

Image © 2024 Airbus

Figure 2 - Sample Location Diagram

Fairchild Fuel Tanks Environmental Soil Sampling, Analysis, and Reporting
1402 Fairchild Airport Road
Port Angeles, WA
GeoTest Project No. 00-243476-0



Fairchild Fuel Tanks Environmental Soil Sampling, Analysis, and Reporting
1402 Fairchild Airport Road
Port Angeles, WA
GeoTest Project No. 00-243476-0
Table 1 - Soil Analytical Results

Result Method	Result Parameter Name	Sample ID TP-1@1"	Reporting Limit	Sample ID TP-1 @ 2.8'	Reporting Limit	Units	MTCA Method A Unrestricted Land Use
NWTPH-DX	Diesel Range Organics	U	25	U	25	MG/KG	2000
NWTPH-DX	Motor Oil	U	50	U	50	MG/KG	2000
SW8260D	CFC-12	U	49	U	36	UG/KG	
SW8260D	Chloromethane	U	45	U	33	UG/KG	
SW8260D	Vinyl Chloride	U	10	U	10	UG/KG	
SW8260D	Bromomethane	U	51	U	38	UG/KG	
SW8260D	Chloroethane	U	38	U	28	UG/KG	
SW8260D	Carbon Tetrachloride	U	25	U	18	UG/KG	
SW8260D	CFC-11	U	31	U	23	UG/KG	
SW8260D	Carbon Disulfide	U	34	U	25	UG/KG	
SW8260D	Acetone	U	53	U	50	UG/KG	
SW8260D	1,1-Dichloroethene	U	48	U	35	UG/KG	
SW8260D	Methylene Chloride	U	240	U	180	UG/KG	20
SW8260D	Acrylonitrile	U	50	U	50	UG/KG	
SW8260D	Methyl t-butyl ether	U	50	U	37	UG/KG	100
SW8260D	Trans-1,2-Dichloroethene	U	45	U	33	UG/KG	
SW8260D	1,1-Dichloroethane	U	25	U	19	UG/KG	
SW8260D	2-Butanone	U	50	U	50	UG/KG	
SW8260D	Cis-1,2-Dichloroethene	U	28	U	21	UG/KG	
SW8260D	2,2-Dichloropropane	U	36	U	27	UG/KG	
SW8260D	Bromochloromethane	U	33	U	25	UG/KG	
SW8260D	Chloroform	U	47	U	34	UG/KG	
SW8260D	1,1,1-Trichloroethane	U	50	U	37	UG/KG	2000
SW8260D	1,1-Dichloropropene	U	41	U	30	UG/KG	
SW8260D	1,2-Dichloroethane	U	14	U	11	UG/KG	
SW8260D	Benzene	U	24	U	18	UG/KG	30
SW8260D	Trichloroethene	U	26	U	19	UG/KG	30
SW8260D	1,2-Dichloropropane	U	15	U	11	UG/KG	
SW8260D	Dibromomethane	U	49	U	36	UG/KG	
SW8260D	Dichlorobromomethane	U	15	U	11	UG/KG	
SW8260D	Trans-1,3-Dichloropropene	U	33	U	24	UG/KG	
SW8260D	Methyl isobutyl ketone	U	59	U	50	UG/KG	
SW8260D	Toluene	U	14	U	11	UG/KG	7000
SW8260D	Cis-1,3-Dichloropropene	U	21	U	15	UG/KG	
SW8260D	1,1,2-Trichloroethane	U	12	U	10	UG/KG	
SW8260D	2-Hexanone	U	85	U	63	UG/KG	
SW8260D	1,3-Dichloropropane	U	10	U	10	UG/KG	
SW8260D	Tetrachloroethene	U	31	U	23	UG/KG	50
SW8260D	Dibromochloromethane	U	10	U	10	UG/KG	
SW8260D	Ethylene dibromide	U	12	U	8.5	UG/KG	5
SW8260D	Chlorobenzene	U	14	U	10	UG/KG	
SW8260D	1,1,1,2-Tetrachloroethane	U	19	U	14	UG/KG	
SW8260D	Ethylbenzene	U	20	U	15	UG/KG	6000
SW8260D	m, p-Xylene	U	40	U	29	UG/KG	9000
SW8260D	Styrene	U	19	U	14	UG/KG	
SW8260D	o-Xylene	U	25	U	19	UG/KG	9000

Fairchild Fuel Tanks Environmental Soil Sampling, Analysis, and Reporting
1402 Fairchild Airport Road
Port Angeles, WA
GeoTest Project No. 00-243476-0
Table 1 - Soil Analytical Results

SW8260D	Bromoform	U	18	U	13	UG/KG	
SW8260D	Isopropylbenzene (Cumene)	U	19	U	14	UG/KG	
SW8260D	1,1,2,2-Tetrachloroethane	U	35	U	26	UG/KG	
SW8260D	1,2,3-Trichloropropane	U	10	U	10	UG/KG	
SW8260D	Bromobenzene	U	22	U	16	UG/KG	
SW8260D	n-Propylbenzene	U	19	U	14	UG/KG	
SW8260D	2-Chlorotoluene	U	25	U	19	UG/KG	
SW8260D	1,3,5-Trimethylbenzene	U	27	U	20	UG/KG	
SW8260D	4-Chlorotoluene	U	18	U	13	UG/KG	
SW8260D	Tert-Butylbenzene	U	46	U	34	UG/KG	
SW8260D	1,2,4-Trimethylbenzene	U	25	U	19	UG/KG	
SW8260D	Sec-Butylbenzene	U	28	U	21	UG/KG	
SW8260D	p-Isopropyltoluene	U	23	U	17	UG/KG	
SW8260D	1,3-Dichlorobenzene	U	16	U	12	UG/KG	
SW8260D	1,4-Dichlorobenzene	U	19	U	14	UG/KG	
SW8260D	n-Butylbenzene	U	37	U	27	UG/KG	
SW8260D	1,2-Dichlorobenzene	U	17	U	12	UG/KG	
SW8260D	1,2-Dibromo-3-Chloropropane	U	50	U	50	UG/KG	
SW8260D	1,2,4-Trichlorobenzene	U	28	U	21	UG/KG	
SW8260D	Hexachlorobutadiene	U	25	U	19	UG/KG	
SW8260D	Naphthalene	U	19	U	14	UG/KG	5000
SW8260D	1,2,3-Trichlorobenzene	U	14	U	10	UG/KG	

Notes:
U - Inidcates Constituent Undetected at Reporting Limit



November 11, 2024

Ms. Lynni Bennett
Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

Dear Ms. Bennett,

On October 30th, 2 samples were received by our laboratory and assigned our laboratory project number EV24100232. The project was identified as your Fairchild 00-243476-0. The sample identification and requested analyses are outlined on the attached chain of custody record.

No abnormalities or nonconformances were observed during the analyses of the project samples.

Please do not hesitate to call me if you have any questions or if I can be of further assistance.

Sincerely,

ALS Laboratory Group

Carl Nott
Laboratory Director



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0
CLIENT SAMPLE ID: TP-1 @ 1"

DATE: 11/11/2024
ALS JOB#: EV24100232
ALS SAMPLE#: EV24100232-01
DATE RECEIVED: 10/30/2024
COLLECTION DATE: 10/29/2024 10:15:00 AM
WDOE ACCREDITATION: C601

SAMPLE DATA RESULTS

ANALYTE	METHOD	RESULTS	REPORTING LIMITS	DILUTION FACTOR	UNITS	ANALYSIS	ANALYSIS
						DATE	BY
TPH-Diesel Range	NWTPH-DX	U	25	1	MG/KG	11/04/2024	DHM
TPH-Oil Range	NWTPH-DX	U	50	1	MG/KG	11/04/2024	DHM
Dichlorodifluoromethane	EPA-8260	U	49	1	UG/KG	11/03/2024	DLC
Chloromethane	EPA-8260	U	45	1	UG/KG	11/03/2024	DLC
Vinyl Chloride	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
Bromomethane	EPA-8260	U	51	1	UG/KG	11/03/2024	DLC
Chloroethane	EPA-8260	U	38	1	UG/KG	11/03/2024	DLC
Carbon Tetrachloride	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
Trichlorofluoromethane	EPA-8260	U	31	1	UG/KG	11/03/2024	DLC
Carbon Disulfide	EPA-8260	U	34	1	UG/KG	11/03/2024	DLC
Acetone	EPA-8260	U	53	1	UG/KG	11/03/2024	DLC
1,1-Dichloroethene	EPA-8260	U	48	1	UG/KG	11/03/2024	DLC
Methylene Chloride	EPA-8260	U	240	1	UG/KG	11/03/2024	DLC
Acrylonitrile	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
Methyl T-Butyl Ether	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
Trans-1,2-Dichloroethene	EPA-8260	U	45	1	UG/KG	11/03/2024	DLC
1,1-Dichloroethane	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
2-Butanone	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
Cis-1,2-Dichloroethene	EPA-8260	U	28	1	UG/KG	11/03/2024	DLC
2,2-Dichloropropane	EPA-8260	U	36	1	UG/KG	11/03/2024	DLC
Bromochloromethane	EPA-8260	U	33	1	UG/KG	11/03/2024	DLC
Chloroform	EPA-8260	U	47	1	UG/KG	11/03/2024	DLC
1,1,1-Trichloroethane	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
1,1-Dichloropropene	EPA-8260	U	41	1	UG/KG	11/03/2024	DLC
1,2-Dichloroethane	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
Benzene	EPA-8260	U	24	1	UG/KG	11/03/2024	DLC
Trichloroethene	EPA-8260	U	26	1	UG/KG	11/03/2024	DLC
1,2-Dichloropropane	EPA-8260	U	15	1	UG/KG	11/03/2024	DLC
Dibromomethane	EPA-8260	U	49	1	UG/KG	11/03/2024	DLC
Bromodichloromethane	EPA-8260	U	15	1	UG/KG	11/03/2024	DLC
Trans-1,3-Dichloropropene	EPA-8260	U	33	1	UG/KG	11/03/2024	DLC
4-Methyl-2-Pentanone	EPA-8260	U	59	1	UG/KG	11/03/2024	DLC
Toluene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
Cis-1,3-Dichloropropene	EPA-8260	U	21	1	UG/KG	11/03/2024	DLC
1,1,2-Trichloroethane	EPA-8260	U	12	1	UG/KG	11/03/2024	DLC
2-Hexanone	EPA-8260	U	85	1	UG/KG	11/03/2024	DLC
1,3-Dichloropropane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
Tetrachloroethylene	EPA-8260	U	31	1	UG/KG	11/03/2024	DLC

Page 2 of 12

ADDRESS 8620 Holly Drive, Suite 100, Everett, WA 98208 | PHONE 425-356-2600 | FAX 425-356-2626

ALS Group USA, Corp dba ALS Environmental



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0
CLIENT SAMPLE ID: TP-1 @ 1"

DATE: 11/11/2024
ALS JOB#: EV24100232
ALS SAMPLE#: EV24100232-01
DATE RECEIVED: 10/30/2024
COLLECTION DATE: 10/29/2024 10:15:00 AM
WDOE ACCREDITATION: C601

SAMPLE DATA RESULTS

ANALYTE	METHOD	RESULTS	REPORTING LIMITS	DILUTION FACTOR	UNITS	ANALYSIS DATE	ANALYSIS BY
Dibromochloromethane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
1,2-Dibromoethane	EPA-8260	U	12	1	UG/KG	11/03/2024	DLC
Chlorobenzene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
1,1,1,2-Tetrachloroethane	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
Ethylbenzene	EPA-8260	U	20	1	UG/KG	11/03/2024	DLC
m,p-Xylene	EPA-8260	U	40	1	UG/KG	11/03/2024	DLC
Styrene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
o-Xylene	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
Bromoform	EPA-8260	U	18	1	UG/KG	11/03/2024	DLC
Isopropylbenzene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
1,1,2,2-Tetrachloroethane	EPA-8260	U	35	1	UG/KG	11/03/2024	DLC
1,2,3-Trichloropropane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
Bromobenzene	EPA-8260	U	22	1	UG/KG	11/03/2024	DLC
N-Propyl Benzene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
2-Chlorotoluene	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
1,3,5-Trimethylbenzene	EPA-8260	U	27	1	UG/KG	11/03/2024	DLC
4-Chlorotoluene	EPA-8260	U	18	1	UG/KG	11/03/2024	DLC
T-Butyl Benzene	EPA-8260	U	46	1	UG/KG	11/03/2024	DLC
1,2,4-Trimethylbenzene	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
S-Butyl Benzene	EPA-8260	U	28	1	UG/KG	11/03/2024	DLC
P-Isopropyltoluene	EPA-8260	U	23	1	UG/KG	11/03/2024	DLC
1,3-Dichlorobenzene	EPA-8260	U	16	1	UG/KG	11/03/2024	DLC
1,4-Dichlorobenzene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
N-Butylbenzene	EPA-8260	U	37	1	UG/KG	11/03/2024	DLC
1,2-Dichlorobenzene	EPA-8260	U	17	1	UG/KG	11/03/2024	DLC
1,2-Dibromo 3-Chloropropane	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
1,2,4-Trichlorobenzene	EPA-8260	U	28	1	UG/KG	11/03/2024	DLC
Hexachlorobutadiene	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
Naphthalene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
1,2,3-Trichlorobenzene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC

SURROGATE	METHOD	%REC	ANALYSIS DATE	ANALYSIS BY
C25	NWTPH-DX	90.3	11/04/2024	DHM
1,2-Dichloroethane-d4	EPA-8260	94.7	11/03/2024	DLC
Toluene-d8	EPA-8260	97.4	11/03/2024	DLC
4-Bromofluorobenzene	EPA-8260	92.3	11/03/2024	DLC

CERTIFICATE OF ANALYSIS

CLIENT:	Geotest Services, Inc. 741 Marine Dr. Bellingham, WA 98225	DATE:	11/11/2024
CLIENT CONTACT:	Lynni Bennett	ALS JOB#:	EV24100232
CLIENT PROJECT:	Fairchild 00-243476-0	ALS SAMPLE#:	EV24100232-01
CLIENT SAMPLE ID	TP-1 @ 1"	DATE RECEIVED:	10/30/2024
		COLLECTION DATE:	10/29/2024 10:15:00 AM
		WDOE ACCREDITATION:	C601

SAMPLE DATA RESULTS

U - Analyte analyzed for but not detected at level above reporting limit.

Soil results reported on a dry-weight basis.



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0
CLIENT SAMPLE ID: PP-1 @ 2.8"

DATE: 11/11/2024
ALS JOB#: EV24100232
ALS SAMPLE#: EV24100232-02
DATE RECEIVED: 10/30/2024
COLLECTION DATE: 10/29/2024 10:22:00 AM
WDOE ACCREDITATION: C601

SAMPLE DATA RESULTS

ANALYTE	METHOD	RESULTS	REPORTING LIMITS	DILUTION FACTOR	UNITS	ANALYSIS	ANALYSIS
						DATE	BY
TPH-Diesel Range	NWTPH-DX	U	25	1	MG/KG	11/05/2024	DHM
TPH-Oil Range	NWTPH-DX	U	50	1	MG/KG	11/05/2024	DHM
Dichlorodifluoromethane	EPA-8260	U	36	1	UG/KG	11/03/2024	DLC
Chloromethane	EPA-8260	U	33	1	UG/KG	11/03/2024	DLC
Vinyl Chloride	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
Bromomethane	EPA-8260	U	38	1	UG/KG	11/03/2024	DLC
Chloroethane	EPA-8260	U	28	1	UG/KG	11/03/2024	DLC
Carbon Tetrachloride	EPA-8260	U	18	1	UG/KG	11/03/2024	DLC
Trichlorofluoromethane	EPA-8260	U	23	1	UG/KG	11/03/2024	DLC
Carbon Disulfide	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
Acetone	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
1,1-Dichloroethene	EPA-8260	U	35	1	UG/KG	11/03/2024	DLC
Methylene Chloride	EPA-8260	U	180	1	UG/KG	11/03/2024	DLC
Acrylonitrile	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
Methyl T-Butyl Ether	EPA-8260	U	37	1	UG/KG	11/03/2024	DLC
Trans-1,2-Dichloroethene	EPA-8260	U	33	1	UG/KG	11/03/2024	DLC
1,1-Dichloroethane	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
2-Butanone	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
Cis-1,2-Dichloroethene	EPA-8260	U	21	1	UG/KG	11/03/2024	DLC
2,2-Dichloropropane	EPA-8260	U	27	1	UG/KG	11/03/2024	DLC
Bromochloromethane	EPA-8260	U	25	1	UG/KG	11/03/2024	DLC
Chloroform	EPA-8260	U	34	1	UG/KG	11/03/2024	DLC
1,1,1-Trichloroethane	EPA-8260	U	37	1	UG/KG	11/03/2024	DLC
1,1-Dichloropropene	EPA-8260	U	30	1	UG/KG	11/03/2024	DLC
1,2-Dichloroethane	EPA-8260	U	11	1	UG/KG	11/03/2024	DLC
Benzene	EPA-8260	U	18	1	UG/KG	11/03/2024	DLC
Trichloroethene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
1,2-Dichloropropane	EPA-8260	U	11	1	UG/KG	11/03/2024	DLC
Dibromomethane	EPA-8260	U	36	1	UG/KG	11/03/2024	DLC
Bromodichloromethane	EPA-8260	U	11	1	UG/KG	11/03/2024	DLC
Trans-1,3-Dichloropropene	EPA-8260	U	24	1	UG/KG	11/03/2024	DLC
4-Methyl-2-Pentanone	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
Toluene	EPA-8260	U	11	1	UG/KG	11/03/2024	DLC
Cis-1,3-Dichloropropene	EPA-8260	U	15	1	UG/KG	11/03/2024	DLC
1,1,2-Trichloroethane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
2-Hexanone	EPA-8260	U	63	1	UG/KG	11/03/2024	DLC
1,3-Dichloropropane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
Tetrachloroethylene	EPA-8260	U	23	1	UG/KG	11/03/2024	DLC
Dibromochloromethane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0
CLIENT SAMPLE ID: PP-1 @ 2.8"

DATE: 11/11/2024
ALS JOB#: EV24100232
ALS SAMPLE#: EV24100232-02
DATE RECEIVED: 10/30/2024
COLLECTION DATE: 10/29/2024 10:22:00 AM
WDOE ACCREDITATION: C601

SAMPLE DATA RESULTS

ANALYTE	METHOD	RESULTS	REPORTING LIMITS	DILUTION FACTOR	UNITS	ANALYSIS DATE	ANALYSIS BY
1,2-Dibromoethane	EPA-8260	U	8.5	1	UG/KG	11/03/2024	DLC
Chlorobenzene	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
1,1,1,2-Tetrachloroethane	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
Ethylbenzene	EPA-8260	U	15	1	UG/KG	11/03/2024	DLC
m,p-Xylene	EPA-8260	U	29	1	UG/KG	11/03/2024	DLC
Styrene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
o-Xylene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
Bromoform	EPA-8260	U	13	1	UG/KG	11/03/2024	DLC
Isopropylbenzene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
1,1,2,2-Tetrachloroethane	EPA-8260	U	26	1	UG/KG	11/03/2024	DLC
1,2,3-Trichloropropane	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC
Bromobenzene	EPA-8260	U	16	1	UG/KG	11/03/2024	DLC
N-Propyl Benzene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
2-Chlorotoluene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
1,3,5-Trimethylbenzene	EPA-8260	U	20	1	UG/KG	11/03/2024	DLC
4-Chlorotoluene	EPA-8260	U	13	1	UG/KG	11/03/2024	DLC
T-Butyl Benzene	EPA-8260	U	34	1	UG/KG	11/03/2024	DLC
1,2,4-Trimethylbenzene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
S-Butyl Benzene	EPA-8260	U	21	1	UG/KG	11/03/2024	DLC
P-Isopropyltoluene	EPA-8260	U	17	1	UG/KG	11/03/2024	DLC
1,3-Dichlorobenzene	EPA-8260	U	12	1	UG/KG	11/03/2024	DLC
1,4-Dichlorobenzene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
N-Butylbenzene	EPA-8260	U	27	1	UG/KG	11/03/2024	DLC
1,2-Dichlorobenzene	EPA-8260	U	12	1	UG/KG	11/03/2024	DLC
1,2-Dibromo 3-Chloropropane	EPA-8260	U	50	1	UG/KG	11/03/2024	DLC
1,2,4-Trichlorobenzene	EPA-8260	U	21	1	UG/KG	11/03/2024	DLC
Hexachlorobutadiene	EPA-8260	U	19	1	UG/KG	11/03/2024	DLC
Naphthalene	EPA-8260	U	14	1	UG/KG	11/03/2024	DLC
1,2,3-Trichlorobenzene	EPA-8260	U	10	1	UG/KG	11/03/2024	DLC

SURROGATE	METHOD	%REC	ANALYSIS DATE	ANALYSIS BY
C25	NWTPH-DX	106	11/05/2024	DHM
1,2-Dichloroethane-d4	EPA-8260	94.8	11/03/2024	DLC
Toluene-d8	EPA-8260	99.1	11/03/2024	DLC
4-Bromofluorobenzene	EPA-8260	96.1	11/03/2024	DLC

U - Analyte analyzed for but not detected at level above reporting limit.

Soil results reported on a dry-weight basis.



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

DATE: 11/11/2024
ALS SDG#: EV24100232
WDOE ACCREDITATION: C601

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0

LABORATORY BLANK RESULTS

MB-110424S - Batch 220070 - Soil by NWTPH-DX

ANALYTE	METHOD	RESULTS	UNITS	REPORTING LIMITS	ANALYSIS DATE	ANALYSIS BY
TPH-Diesel Range	NWTPH-DX	U	MG/KG	25	11/04/2024	DHM
TPH-Oil Range	NWTPH-DX	U	MG/KG	50	11/04/2024	DHM

U - Analyte analyzed for but not detected at level above reporting limit.

MB-110224S - Batch 220318 - Soil by EPA-8260

ANALYTE	METHOD	RESULTS	UNITS	REPORTING LIMITS	ANALYSIS DATE	ANALYSIS BY
Dichlorodifluoromethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Chloromethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Vinyl Chloride	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Bromomethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Chloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Carbon Tetrachloride	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Trichlorofluoromethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Carbon Disulfide	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Acetone	EPA-8260	U	UG/KG	50	11/03/2024	DLC
1,1-Dichloroethene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Methylene Chloride	EPA-8260	U	UG/KG	20	11/03/2024	DLC
Acrylonitrile	EPA-8260	U	UG/KG	50	11/03/2024	DLC
Methyl T-Butyl Ether	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Trans-1,2-Dichloroethene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,1-Dichloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
2-Butanone	EPA-8260	U	UG/KG	50	11/03/2024	DLC
Cis-1,2-Dichloroethene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
2,2-Dichloropropane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Bromochloromethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Chloroform	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,1,1-Trichloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,1-Dichloropropene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2-Dichloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Benzene	EPA-8260	U	UG/KG	5.0	11/03/2024	DLC
Trichloroethene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2-Dichloropropane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Dibromomethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Bromodichloromethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Trans-1,3-Dichloropropene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
4-Methyl-2-Pentanone	EPA-8260	U	UG/KG	50	11/03/2024	DLC
Toluene	EPA-8260	U	UG/KG	10	11/03/2024	DLC



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

DATE: 11/11/2024
ALS SDG#: EV24100232
WDOE ACCREDITATION: C601

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0

LABORATORY BLANK RESULTS

MB-110224S - Batch 220318 - Soil by EPA-8260

Cis-1,3-Dichloropropene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,1,2-Trichloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
2-Hexanone	EPA-8260	U	UG/KG	50	11/03/2024	DLC
1,3-Dichloropropane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Tetrachloroethylene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Dibromochloromethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2-Dibromoethane	EPA-8260	U	UG/KG	5.0	11/03/2024	DLC
Chlorobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,1,1,2-Tetrachloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Ethylbenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
m,p-Xylene	EPA-8260	U	UG/KG	20	11/03/2024	DLC
Styrene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
o-Xylene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Bromoform	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Isopropylbenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,1,1,2-Tetrachloroethane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2,3-Trichloropropane	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Bromobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
N-Propyl Benzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
2-Chlorotoluene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,3,5-Trimethylbenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
4-Chlorotoluene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
T-Butyl Benzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2,4-Trimethylbenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
S-Butyl Benzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
P-Isopropyltoluene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,3-Dichlorobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,4-Dichlorobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
N-Butylbenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2-Dichlorobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2-Dibromo 3-Chloropropane	EPA-8260	U	UG/KG	50	11/03/2024	DLC
1,2,4-Trichlorobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Hexachlorobutadiene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
Naphthalene	EPA-8260	U	UG/KG	10	11/03/2024	DLC
1,2,3-Trichlorobenzene	EPA-8260	U	UG/KG	10	11/03/2024	DLC

U - Analyte analyzed for but not detected at level above reporting limit.



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0

DATE: 11/11/2024
ALS SDG#: EV24100232
WDOE ACCREDITATION: C601

LABORATORY CONTROL SAMPLE RESULTS

ALS Test Batch ID: 220070 - Soil by NWTPH-DX

SPIKED COMPOUND	METHOD	%REC	RPD	QUAL	LIMITS		ANALYSIS DATE	ANALYSIS BY
					MIN	MAX		
TPH-Diesel Range - BS	NWTPH-DX	95.4			75.5	122.1	11/04/2024	DHM
TPH-Diesel Range - BSD	NWTPH-DX	96.7	1		75.5	122.1	11/04/2024	DHM

ALS Test Batch ID: 220318 - Soil by EPA-8260

SPIKED COMPOUND	METHOD	%REC	RPD	QUAL	LIMITS		ANALYSIS DATE	ANALYSIS BY
					MIN	MAX		
Dichlorodifluoromethane - BS	EPA-8260	84.8			50	150	11/03/2024	DLC
Dichlorodifluoromethane - BSD	EPA-8260	78.6	8		50	150	11/03/2024	DLC
Chloromethane - BS	EPA-8260	69.4			50	150	11/03/2024	DLC
Chloromethane - BSD	EPA-8260	65.0	7		50	150	11/03/2024	DLC
Vinyl Chloride - BS	EPA-8260	97.6			50	150	11/03/2024	DLC
Vinyl Chloride - BSD	EPA-8260	91.1	7		50	150	11/03/2024	DLC
Bromomethane - BS	EPA-8260	85.5			50	150	11/03/2024	DLC
Bromomethane - BSD	EPA-8260	85.6	0		50	150	11/03/2024	DLC
Chloroethane - BS	EPA-8260	98.1			50	150	11/03/2024	DLC
Chloroethane - BSD	EPA-8260	92.3	6		50	150	11/03/2024	DLC
Carbon Tetrachloride - BS	EPA-8260	116			50	150	11/03/2024	DLC
Carbon Tetrachloride - BSD	EPA-8260	109	6		50	150	11/03/2024	DLC
Trichlorofluoromethane - BS	EPA-8260	112			50	150	11/03/2024	DLC
Trichlorofluoromethane - BSD	EPA-8260	105	6		50	150	11/03/2024	DLC
Carbon Disulfide - BS	EPA-8260	98.5			50	150	11/03/2024	DLC
Carbon Disulfide - BSD	EPA-8260	92.8	6		50	150	11/03/2024	DLC
Acetone - BS	EPA-8260	101			50	150	11/03/2024	DLC
Acetone - BSD	EPA-8260	58.5	53	SR1	50	150	11/03/2024	DLC
1,1-Dichloroethene - BS	EPA-8260	98.9			70	130	11/03/2024	DLC
1,1-Dichloroethene - BSD	EPA-8260	93.1	6		70	130	11/03/2024	DLC
Methylene Chloride - BS	EPA-8260	110			50	150	11/03/2024	DLC
Methylene Chloride - BSD	EPA-8260	115	4		50	150	11/03/2024	DLC
Acrylonitrile - BS	EPA-8260	101			50	150	11/03/2024	DLC
Acrylonitrile - BSD	EPA-8260	94.6	6		50	150	11/03/2024	DLC
Methyl T-Butyl Ether - BS	EPA-8260	99.0			50	150	11/03/2024	DLC
Methyl T-Butyl Ether - BSD	EPA-8260	95.1	4		50	150	11/03/2024	DLC
Trans-1,2-Dichloroethene - BS	EPA-8260	102			50	150	11/03/2024	DLC
Trans-1,2-Dichloroethene - BSD	EPA-8260	96.6	5		50	150	11/03/2024	DLC
1,1-Dichloroethane - BS	EPA-8260	97.5			50	150	11/03/2024	DLC
1,1-Dichloroethane - BSD	EPA-8260	92.0	6		50	150	11/03/2024	DLC
2-Butanone - BS	EPA-8260	106			50	150	11/03/2024	DLC
2-Butanone - BSD	EPA-8260	76.8	32	SR1	50	150	11/03/2024	DLC
Cis-1,2-Dichloroethene - BS	EPA-8260	101			50	150	11/03/2024	DLC

Page 9 of 12

ADDRESS 8620 Holly Drive, Suite 100, Everett, WA 98208 | PHONE 425-356-2600 | FAX 425-356-2626

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CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

DATE: 11/11/2024
ALS SDG#: EV24100232
WDOE ACCREDITATION: C601

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0

LABORATORY CONTROL SAMPLE RESULTS

SPIKED COMPOUND	METHOD	%REC	RPD	QUAL	LIMITS		ANALYSIS DATE	ANALYSIS BY
					MIN	MAX		
Cis-1,2-Dichloroethene - BSD	EPA-8260	96.3	5		50	150	11/03/2024	DLC
2,2-Dichloropropane - BS	EPA-8260	83.6			50	150	11/03/2024	DLC
2,2-Dichloropropane - BSD	EPA-8260	78.9	6		50	150	11/03/2024	DLC
Bromochloromethane - BS	EPA-8260	101			50	150	11/03/2024	DLC
Bromochloromethane - BSD	EPA-8260	96.7	5		50	150	11/03/2024	DLC
Chloroform - BS	EPA-8260	114			50	150	11/03/2024	DLC
Chloroform - BSD	EPA-8260	107	6		50	150	11/03/2024	DLC
1,1,1-Trichloroethane - BS	EPA-8260	110			50	150	11/03/2024	DLC
1,1,1-Trichloroethane - BSD	EPA-8260	103	7		50	150	11/03/2024	DLC
1,1-Dichloropropene - BS	EPA-8260	104			50	150	11/03/2024	DLC
1,1-Dichloropropene - BSD	EPA-8260	96.7	7		50	150	11/03/2024	DLC
1,2-Dichloroethane - BS	EPA-8260	103			50	150	11/03/2024	DLC
1,2-Dichloroethane - BSD	EPA-8260	99.2	4		50	150	11/03/2024	DLC
Benzene - BS	EPA-8260	104			75	138	11/03/2024	DLC
Benzene - BSD	EPA-8260	98.9	5		75	138	11/03/2024	DLC
Trichloroethene - BS	EPA-8260	115			75	136	11/03/2024	DLC
Trichloroethene - BSD	EPA-8260	103	11		75	136	11/03/2024	DLC
1,2-Dichloropropane - BS	EPA-8260	101			50	150	11/03/2024	DLC
1,2-Dichloropropane - BSD	EPA-8260	96.4	5		50	150	11/03/2024	DLC
Dibromomethane - BS	EPA-8260	105			50	150	11/03/2024	DLC
Dibromomethane - BSD	EPA-8260	102	3		50	150	11/03/2024	DLC
Bromodichloromethane - BS	EPA-8260	104			50	150	11/03/2024	DLC
Bromodichloromethane - BSD	EPA-8260	99.8	4		50	150	11/03/2024	DLC
Trans-1,3-Dichloropropene - BS	EPA-8260	103			50	150	11/03/2024	DLC
Trans-1,3-Dichloropropene - BSD	EPA-8260	103	0		50	150	11/03/2024	DLC
4-Methyl-2-Pentanone - BS	EPA-8260	100			50	150	11/03/2024	DLC
4-Methyl-2-Pentanone - BSD	EPA-8260	95.8	4		50	150	11/03/2024	DLC
Toluene - BS	EPA-8260	100			71.6	122.1	11/03/2024	DLC
Toluene - BSD	EPA-8260	95.5	5		71.6	122.1	11/03/2024	DLC
Cis-1,3-Dichloropropene - BS	EPA-8260	101			50	150	11/03/2024	DLC
Cis-1,3-Dichloropropene - BSD	EPA-8260	96.4	4		50	150	11/03/2024	DLC
1,1,2-Trichloroethane - BS	EPA-8260	107			50	150	11/03/2024	DLC
1,1,2-Trichloroethane - BSD	EPA-8260	107	0		50	150	11/03/2024	DLC
2-Hexanone - BS	EPA-8260	110			50	150	11/03/2024	DLC
2-Hexanone - BSD	EPA-8260	89.5	20		50	150	11/03/2024	DLC
1,3-Dichloropropane - BS	EPA-8260	100			50	150	11/03/2024	DLC
1,3-Dichloropropane - BSD	EPA-8260	103	2		50	150	11/03/2024	DLC
Tetrachloroethylene - BS	EPA-8260	141			50	150	11/03/2024	DLC
Tetrachloroethylene - BSD	EPA-8260	93.0	41	SR1	50	150	11/03/2024	DLC
Dibromochloromethane - BS	EPA-8260	112			50	150	11/03/2024	DLC

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ADDRESS 8620 Holly Drive, Suite 100, Everett, WA 98208 | PHONE 425-356-2600 | FAX 425-356-2626

ALS Group USA, Corp dba ALS Environmental



CERTIFICATE OF ANALYSIS

CLIENT: Geotest Services, Inc.
741 Marine Dr.
Bellingham, WA 98225

CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0

DATE: 11/11/2024
ALS SDG#: EV24100232
WDOE ACCREDITATION: C601

LABORATORY CONTROL SAMPLE RESULTS

SPIKED COMPOUND	METHOD	%REC	RPD	QUAL	LIMITS		ANALYSIS DATE	ANALYSIS BY
					MIN	MAX		
Dibromochloromethane - BSD	EPA-8260	113	0		50	150	11/03/2024	DLC
1,2-Dibromoethane - BS	EPA-8260	106			50	150	11/03/2024	DLC
1,2-Dibromoethane - BSD	EPA-8260	106	0		50	150	11/03/2024	DLC
Chlorobenzene - BS	EPA-8260	110			79	128	11/03/2024	DLC
Chlorobenzene - BSD	EPA-8260	108	1		79	128	11/03/2024	DLC
1,1,1,2-Tetrachloroethane - BS	EPA-8260	111			50	150	11/03/2024	DLC
1,1,1,2-Tetrachloroethane - BSD	EPA-8260	111	1		50	150	11/03/2024	DLC
Ethylbenzene - BS	EPA-8260	111			50	150	11/03/2024	DLC
Ethylbenzene - BSD	EPA-8260	109	2		50	150	11/03/2024	DLC
m,p-Xylene - BS	EPA-8260	112			50	150	11/03/2024	DLC
m,p-Xylene - BSD	EPA-8260	110	2		50	150	11/03/2024	DLC
Styrene - BS	EPA-8260	104			50	150	11/03/2024	DLC
Styrene - BSD	EPA-8260	103	1		50	150	11/03/2024	DLC
o-Xylene - BS	EPA-8260	106			50	150	11/03/2024	DLC
o-Xylene - BSD	EPA-8260	104	1		50	150	11/03/2024	DLC
Bromoform - BS	EPA-8260	117			50	150	11/03/2024	DLC
Bromoform - BSD	EPA-8260	117	0		50	150	11/03/2024	DLC
Isopropylbenzene - BS	EPA-8260	107			50	150	11/03/2024	DLC
Isopropylbenzene - BSD	EPA-8260	105	2		50	150	11/03/2024	DLC
1,1,2,2-Tetrachloroethane - BS	EPA-8260	94.6			50	150	11/03/2024	DLC
1,1,2,2-Tetrachloroethane - BSD	EPA-8260	110	15		50	150	11/03/2024	DLC
1,2,3-Trichloropropane - BS	EPA-8260	102			50	150	11/03/2024	DLC
1,2,3-Trichloropropane - BSD	EPA-8260	108	6		50	150	11/03/2024	DLC
Bromobenzene - BS	EPA-8260	106			50	150	11/03/2024	DLC
Bromobenzene - BSD	EPA-8260	112	5		50	150	11/03/2024	DLC
N-Propyl Benzene - BS	EPA-8260	102			50	150	11/03/2024	DLC
N-Propyl Benzene - BSD	EPA-8260	106	4		50	150	11/03/2024	DLC
2-Chlorotoluene - BS	EPA-8260	101			50	150	11/03/2024	DLC
2-Chlorotoluene - BSD	EPA-8260	105	4		50	150	11/03/2024	DLC
1,3,5-Trimethylbenzene - BS	EPA-8260	103			50	150	11/03/2024	DLC
1,3,5-Trimethylbenzene - BSD	EPA-8260	108	4		50	150	11/03/2024	DLC
4-Chlorotoluene - BS	EPA-8260	101			50	150	11/03/2024	DLC
4-Chlorotoluene - BSD	EPA-8260	106	4		50	150	11/03/2024	DLC
T-Butyl Benzene - BS	EPA-8260	112			50	150	11/03/2024	DLC
T-Butyl Benzene - BSD	EPA-8260	117	5		50	150	11/03/2024	DLC
1,2,4-Trimethylbenzene - BS	EPA-8260	102			50	150	11/03/2024	DLC
1,2,4-Trimethylbenzene - BSD	EPA-8260	107	5		50	150	11/03/2024	DLC
S-Butyl Benzene - BS	EPA-8260	104			50	150	11/03/2024	DLC
S-Butyl Benzene - BSD	EPA-8260	108	3		50	150	11/03/2024	DLC
P-Isopropyltoluene - BS	EPA-8260	103			50	150	11/03/2024	DLC

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ADDRESS 8620 Holly Drive, Suite 100, Everett, WA 98208 | PHONE 425-356-2600 | FAX 425-356-2626

ALS Group USA, Corp dba ALS Environmental

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DATE: 11/11/2024
ALS SDG#: EV24100232
WDOE ACCREDITATION: C601


CLIENT CONTACT: Lynni Bennett
CLIENT PROJECT: Fairchild 00-243476-0

LABORATORY CONTROL SAMPLE RESULTS

SPIKED COMPOUND	METHOD	%REC	RPD	QUAL	LIMITS		ANALYSIS DATE	ANALYSIS BY
					MIN	MAX		
P-Isopropyltoluene - BSD	EPA-8260	106	3		50	150	11/03/2024	DLC
1,3-Dichlorobenzene - BS	EPA-8260	105			50	150	11/03/2024	DLC
1,3-Dichlorobenzene - BSD	EPA-8260	110	5		50	150	11/03/2024	DLC
1,4-Dichlorobenzene - BS	EPA-8260	98.8			50	150	11/03/2024	DLC
1,4-Dichlorobenzene - BSD	EPA-8260	104	5		50	150	11/03/2024	DLC
N-Butylbenzene - BS	EPA-8260	98.7			50	150	11/03/2024	DLC
N-Butylbenzene - BSD	EPA-8260	102	3		50	150	11/03/2024	DLC
1,2-Dichlorobenzene - BS	EPA-8260	104			50	150	11/03/2024	DLC
1,2-Dichlorobenzene - BSD	EPA-8260	109	5		50	150	11/03/2024	DLC
1,2-Dibromo 3-Chloropropane - BS	EPA-8260	102			50	150	11/03/2024	DLC
1,2-Dibromo 3-Chloropropane - BSD	EPA-8260	108	6		50	150	11/03/2024	DLC
1,2,4-Trichlorobenzene - BS	EPA-8260	105			50	150	11/03/2024	DLC
1,2,4-Trichlorobenzene - BSD	EPA-8260	111	6		50	150	11/03/2024	DLC
Hexachlorobutadiene - BS	EPA-8260	99.0			50	150	11/03/2024	DLC
Hexachlorobutadiene - BSD	EPA-8260	103	4		50	150	11/03/2024	DLC
Naphthalene - BS	EPA-8260	105			50	150	11/03/2024	DLC
Naphthalene - BSD	EPA-8260	113	7		50	150	11/03/2024	DLC
1,2,3-Trichlorobenzene - BS	EPA-8260	104			50	150	11/03/2024	DLC
1,2,3-Trichlorobenzene - BSD	EPA-8260	111	6		50	150	11/03/2024	DLC

SR1 - RPD outside of control limits.

APPROVED BY



Carl Nott
Laboratory Director



NYC Health + Hospitals (Only)

Date 10/20/15 Page 1 Of 142

[illegible]

Please Report and If 04/2020

TURNAROUND REQUESTED in Business Days*

Organic, Metals & Inorganic Analysis

SAME DAY	1	2	3	5	10
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Fuels & Hydrocarbon Analysis

DAY ☐ ☐ ☒ Standard

*Turnaround request less than standard may incur Rush Charges

FIRST AMENDMENT AND ASSIGNMENT OF COMMERCIAL LEASE

(Fairchild Airport FBO)

This First Amendment and Assignment of Commercial Lease (“**First Amendment and Assignment**”) is dated for reference as of December 1, 2024 and entered into, by and among Rite Bros. Aviation Inc., a Washington corporation (“**Lessee**”), Citizen Air, LLC, a Washington limited liability company (“**CitizenAir**”), Epic Air LLC, a Washington limited liability company (“**EpicAir**”) and the Port of Port Angeles, a Washington Municipal corporation (“**Port**”) (collectively “**Parties**”).

WHEREAS, Port is the lessor, and Lessee is the lessee, under that certain Commercial Lease dated March 6, 2018 (the “**Lease**”), with respect to space located on land legally described on attached **Exhibit A**, which land abuts or is within the bounds of the William R. Fairchild Airport (the “**Airport**”); and

WHEREAS, Port and Lessee wish to amend the Lease as set forth herein; and

WHEREAS, Lessee has requested, and the Port provides its consent to (1) Lessee’s assignment of Lessee’s interest under the Lease to its wholly owned subsidiary, CitizenAir, and (2) a subsequent sale of all membership interest in CitizenAir by Lessee, to EpicAir (the “**Membership Transfer**”);

NOW, THEREFORE, for and in consideration of the mutual covenants herein, the Parties agree as follows:

1. Assignment of Lease; Effective Date.
 - a. Consent and Assignment of Lease to Citizen Air. Effective upon transfer of its FAA Part 135 License to Citizen Air, Lessee assigns its lessee’s interest in the Lease to Citizen Air, and Citizen Air assumes lessee’s obligations under the Lease. Port hereby consents to such assignment. The consent granted in this Section 1(a) is effective immediately.
 - b. Consent to Membership Transfer and Effective Date. Pursuant to Lease at Section 7.9, the Port hereby consents to the Membership Transfer. The Parties agree that this First Amendment (other than Section 1(a), which is effective immediately) will be effective on the same date (the “Effective Date”) that the Membership Transfer is consummated; provided however if the Effective Date has not occurred by June 30, 2025, then Consent to the Membership Transfer is withdrawn and will thereafter be of no force or effect whatsoever.
2. Term. Section 2.2 of the Lease is amended to provide that the initial Term of the Lease is extended to December 31, 2029, and the following is added: “For clarity, a related entity of Lessee, FAIRCHILD FUEL LLC, has entered into a Commercial Ground Lease – Fueling Operations at Fairchild Airfield as Lessee with similar term and options for extensions (“**Fuel Lease**”). The termination of this FBO Lease for any cause will result in the termination of the Fuel Lease.”

3. Renewal Options. Section 2.3 of the Lease is deleted and replaced with the following:
- a. Right to Renew. Lessee has three (3) options to renew the term of the Lease for 5 years each (the “**Renewal Options**”). The Renewal Options are rights under the Lease and do not require any additional approvals or consents from Port (all references in the original Lease to the requirement that the Port approve or consent to the Renewal Options are hereby deleted; with exception that Lessee shall not be entitled to renew this Lease unless the Lease is in good standing at the time of renewal and Lessee is not in “Material Default” (defined below) . The terms and conditions of tenancy shall be the same during the Renewal Option terms, except that the Rent rate shall be adjusted as set forth below. “Material Default” as used in this Lease and 1st Amendment to Lease means a material breach of Lease Agreement of any of the following Lease provisions (as the same may be amended by this First Amendment or any subsequent amendment to the Lease) that persists after the allowance for any cure period set forth in Section 7.12 of the Lease, or established by applicable law: 3.1 Rent, including 3.1.1 and 3.1.2; 3.4 Leasehold And Other Taxes; 4.1 Lessee's Use Of The Premises, including 4.1.1 and 4.1.2 including First Amendment Paragraph 6; 4.3 Construction Of Tenant Improvement, including 4.3.1 and 4.3.2; 4.5 Maintenance of Premises, 4.6 Utilities And Services; 4.7. Compliance With Port Regulations And With All Laws; Article V; Article VI; 7.1 Lessee Will Obtain Permits; 7.2 Liens including First Amendment Paragraph 9; 7.3 Indemnification And Hold Harmless; 7.4 Laws And Regulations; 7.6 Damage And Destruction; 7.9 Assignment Of Lease; 7.11.1 Early Termination by Port including First Amendment Paragraph 11; and 7.21 Holding Over.
 - b. Notice of Renewal. In order to exercise each Renewal Option, Lessee must give written notice of such intention to Port at least one hundred eighty (180) days prior to the expiration of the term or renewal term then in effect. Provided, Lessee may not exercise a Renewal Option if Lessee is in material default, beyond any applicable notice or cure period, under the terms of this Lease or any other lease or agreement with the Port.
 - c. Rental Rate For Renewal Periods. No later than forty-five (45) days prior to the beginning of a Renewal Option, Lessee shall have an MAI appraiser prepare an appraisal of the fair market rental value (“**FMRV**”) of the Premises under the Lease and deliver a copy of such appraisal to the Port. Unless Port provides written notice of objection to the determination of the FMRV under Lessee’s appraisal within ten (10) business days after receipt, such determination of FMRV shall become the rental rate under this Lease for the first 12 months of the Renewal Option term and will be adjusted annually by CPI thereafter as provided herein. If Port does provide timely written notice of objection, then Port shall hire its own MAI appraiser to make a determination of FMRV. If the higher of the two determinations by Port and Lessee is within 15% of the lower, then the average of the two determinations shall be the rental rate for the first 12 months of the Renewal Option term and will be adjusted by CPI annually thereafter as provided herein. If the two determinations of FMRV differ by more than 15%, then the two appraisers shall select a third appraiser, who shall make the final determination of FMRV. Each party shall bear the cost of its own appraiser, and if a third appraiser

is necessary, the cost shall be shared equally. Provided, however in any event, if that FMVR is less than the Base Rent then in effect, then such existing Base Rent shall not be reduced but shall remain flat for the following five (5) years, together with the annual CPI Increases.

5. Right of First Opportunity Regarding Airplane Hangar Space. Port grants to Lessee, during the Term of the Lease, a Right of Right of First Opportunity (the “**Hangar ROFO**”) with respect to the lease or sale of the following by the Port (“**Hangar Space**”): (a) airplane hangar space, and (b) unimproved land within the Airport boundaries, or abutting the Airport boundaries, which is suitable for airplane hangar construction, as defined in the Airport’s FAA-approved Master Plan. With regard to the Hangar ROFO, Port shall advise Lessee at least thirty (30) days before Port either (i) publicizes Hangar Space as being for sale or lease, or (ii) executes a Letter of Intent, Term Sheet or binding contract for the sale or lease of Hangar Space that was not publicized by the Port as being for sale or lease.
6. CAM Expenses. Sections 3.2.5 and 3.2.6 of the Lease are hereby deleted and replaced with the following:
 - 3.2.5 CAM Reimbursement. As reimbursement for CAM Expenses, Lessee shall pay Port \$300 per month additional rent (the “CAM Fee”) initially.
 - 3.2.6 Adjustment of CAM Expenses. On the Adjustment Date (as defined in Section 3.1.2 of the Lease) of each year of the initial Term, and on the Adjustment Date of each year of any applicable renewal Term, the CAM Fee shall be increased by the same CPI adjustment as used for the Base Rent, as described in Section 3.1.2 of the Lease.
7. Authorized Use. Section 4.1 of the Lease is hereby amended to read, “Lessee shall only conduct the following activity on the Premises: Aviation Business Activities, including without limitation, General Office, Fixed Base Operator services (such as charter flights, flight instruction, maintenance, fueling, hangaring, rental), Aviation and Aircraft Education Services, Scheduled Flight services, Ticket Sales, Aircraft Sales, Aircraft Maintenance and Repair, Aircraft Hangaring, Passenger or Crew Support Services.”
8. Maintenance and Repair.
 - a. Maintenance and Repair by Lessee. Lessee’s maintenance and repair obligations under Lease at Section 4.7 do not include maintenance and repair of structural elements of the Premises, or the elements of the Building that Port agrees to maintain pursuant to subsection (b) immediately below provided however Lessee shall be responsible for the costs of any repairs to any damage caused by Lessee, its employees, agents, or contractors.
 - b. Maintenance and Repair of the Building and Systems. Port shall maintain, repair and replace, in good condition, the Building structure, foundation, subfloor or slab floor, exterior walls, roof structure, roof membrane, HVAC, and all Building systems and utilities outside the boundaries of the leased Premises, provided however Lessee shall be responsible for the costs of any repairs to any damage caused by Lessee, its

employees, agents, or contractors.

9. Liability Insurance.

- a. The last sentence of Lease at Section 5.1.1 is hereby stricken (requirement for cross-liability coverage).
- b. Hangar Keeper's Insurance described at Lease at Section 5.2.5 is required only if Lessee houses aircraft owned by others within Hangars leased by Lessee under this Lease. Lessee shall provide the Port advance written notice and proof of the insurance required by this Section prior to housing aircraft owned by others within Hangars leased by Lessee under this Lease.
- c. Aircraft Liability Insurance described in Lease at Section 5.2.4 is required only with respect to aircraft owned or operated by Lessee.
- d. Lease at Section 5.2.7 is amended to provide:

Each liability insurance policy required herein shall name the Port as an additional insured, and shall provide that it is primary and non-contributory with respect to insurance, or self-insurance maintained by the Port.
- e. Any change in insurance imposed by the Port under Section 5.2.8 will not be commercially unreasonable.

10. Property Insurance by Port.

- a. Waiver of Subrogation. Notwithstanding any other provision of this Lease to the contrary, Port and Lessee hereby release each other from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies (not to exceed \$5,000) or to the extent of liabilities exceeding the limits of such policies.
- b. The following new Section 5.2.14 is added to the Lease:

The Port shall carry special form property insurance of the shell and core of the building(s) leased hereunder, in the amount of their full replacement value.

- 11. Liens. Under Lease at Section 7.2, in lieu of causing a lien to be discharged of record, Lessee may elect to cause such lien to be bonded over, as may be allowed by applicable law, and shall be in a form reasonably acceptable to the Port's Legal Counsel.

12. Gross Negligence or Intentional Misconduct of Port. Under Lease at Section 7.3, (a) the release of the Port by Lessee is inapplicable to the extent injury or damage is caused by the gross negligence or intentional misconduct of Port or Port's employees, contractors or agents.
13. Early Termination by Port. If the Lease is terminated early under Section 7.11.1 or 7.11.2, then Port shall work cooperatively, diligently and in good faith with Lessee to identify any substitute premises as may be available for lease to Lessee, provided however nothing herein obligates the Port to identify any substitute premises, or to any costs of or responsibilities for relocating Lessee.
14. Limited Term Hangar Leasing – Port Approved Form. Lessee may sublease or license hangar space within Premises, for a term of one year or less, subject to sublease forms that have been approved by the Port for such use (such approval not unreasonably withheld), without the necessity of obtaining Port consent for each such hangar sublease or license under Section 7.9 of the Lease. Lessee shall provide the Port a copy of each executed sublease within ten days of its effective date electronically or by link.
15. Effect of Default. Section 7.12.6 of the Lease is hereby deleted.
16. Legal Description. The leased Premises are located on the land legally described in **Exhibit A** hereto.
17. Terms Defined. All terms defined in the Lease shall have that same meaning herein.
18. Full Force and Effect. Except as specifically amended or deleted herein all other terms of the Lease remain in full force and effect.

DATED as of the day and year first above written, and effective as described in Section 1, herein above, of the First Amendment and Assignment.

[Signatures Appear on Next Pages]

PORT OF PORT ANGELES

RITE BROS. AVIATION INC.

Paul Jarkiewicz, its Executive Director

Jeffrey L. Well, its President

CITIZEN AIR, LLC

EPIC AIR LLC

Jeffrey L. Well, its Manager

Kelly Kidwell, its Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

On this __day of ____, 2025, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul Jarkiewicz, to me known to be the Executive Director of the Port of Port Angeles, the entity that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

(Print name of notary)

NOTARY PUBLIC in and for the State of

Washington, residing at _____

My commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

On this __day of ____, 2025, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JEFFREY L. WELL, to me known to be the President of Rite Bros. Aviation Inc. and Citizen Air LLC, the corporation and limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entities for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

On this __day of ____, 2025, before me the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared KELLY KIDWELL, to me known to be the Manager of Epic Air, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____



Portions of Tax Parcels: 063000115900; 063000116000 - as outlined above

Future Agenda Items –Commission Meeting

4/8/2025

April 22, 2025 (Regular Commission Meeting)

- Monthly Cash & Investment Report
- Monthly Delegation of Authority Report
- March Financial Report
- Bond Presentation – Cynthia Weed
- 1st Quarter Operations Report
- Abandoned Vessel Auction
- IFC – 1050 Roof

April 28, 2025 (Special Joint Commission Meeting) – at Port

May 13, 2025 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- CPP Program Review/Revamp?

May 27, 2025 (Regular Commission Meeting)

- April Financial Report
- Cash and Investment Report

June 10, 2025 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Annual Month to Month Lease Update

June 24, 2025 (Regular Commission Meeting)

- May Financial Report
- Cash and Investment Report
- Maritime Festival Recap – Caleb

Upcoming Events

April 22-24, 2025 – AFRC Annual Meeting, Stevenson, WA

April 23-25, 2025 – Olympic Logging Conference, Victoria, B.C.

May 14, 2025 – Sequim Bay Yacht Club Meeting, Sequim, WA

May 14-16, 2025 – WPPA Spring Meeting, Spokane, WA

May 19-21, 2025 – Washington Airport Managers Association Conference, Lake Chelan

May 19-21, 2025 – AAPA Leadership Summit, Milwaukee, MN

June 7-8, 2025 – Maritime Festival, Port Angeles, WA

June 25-27, 2025 – WPPA Finance & Administration Seminar, Walla Walla, WA

Future

- Boatyard and Marina Rules & Regulations
- Port Emergency Response Plans and Activities
- Employee Handbook Update and Resolutions